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REPORT OF AUDIT

[redacted] **FINANCIAL AND MANAGERIAL CONTROLS OVER IN-Q-TEL, INC.**

Central Intelligence Agency
Office of Inspector General
Audit Staff

[redacted]

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REPORT OF AUDIT

FINANCIAL AND MANAGERIAL CONTROLS OVER IN-Q-TEL, INC.

EXECUTIVE SUMMARY

Objectives

This audit evaluated the financial and managerial controls over In-Q-Tel, Inc., a nonprofit corporation established in accordance with Section 501 (c)(3) of the Internal Revenue Code and incorporated in the State of Delaware. Specific objectives of the audit were to determine whether: (1) In-Q-Tel management has designed and implemented effective financial and managerial controls over In-Q-Tel operations; and (2) Agency management has appropriate insight into In-Q-Tel operations.

Background

In-Q-Tel, Inc. was organized to foster the use of new and emerging technologies in solving some of the most pressing information technology problems facing the Central Intelligence Agency. In-Q-Tel and the Agency negotiated a five-year Charter Agreement that describes the broad framework for the parties' relationship and establishes general policies and specific terms and conditions that apply to the contemporaneously executed contract between the parties. The Charter Agreement and contract were signed on 28 July 1999.

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The In-Q-Tel Interface Center (QIC) in the Directorate of Science and Technology is the link between the Agency and In-Q-Tel. QIC's mission is to ensure the development, transition, and acceptance of unique, value-added, information technology solutions that meet the Agency's needs.

Results in Brief

Overall, we found that In-Q-Tel management, under the direction of its President and Chief Executive Officer, Gilman Louie, and its Board of Trustees has designed and implemented effective financial and managerial controls over In-Q-Tel operations and is positioning In-Q-Tel to deliver multiple state-of-the-art information technology solutions in response to the Agency's most critical information technology requirements—the Agency's "problem set." In-Q-Tel's accounting system is well designed and operating effectively to provide management with accurate and reliable financial and accounting data. Cash and investment accounts reconcile with accounting records, and our review of other current asset accounts did not disclose any material errors or omissions.

In-Q-Tel management, however, needs to strengthen internal controls related to contracting and procurement activities, equipment management, and corporate security. Opportunities also exist to improve the effectiveness of In-Q-Tel's corporate ethics program.

We also found that QIC management and senior Directorate of Science and Technology managers have appropriate insight into In-Q-Tel operations and are effectively monitoring contract performance. QIC and In-Q-Tel personnel maintain a close and continuous working relationship. Although Agency

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Management Comments and Our Evaluation

Comments on a draft of this report were provided by the Executive Director, the Deputy Director for Science & Technology, the Director of the QIC, and the President and Chief Executive Officer of In-Q-Tel. These officials generally agreed with the report findings and recommendations, and in some instances have already initiated action to implement the recommendations. Comments submitted on the draft were considered in the preparation of the final report.

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OBJECTIVES, SCOPE, AND METHODOLOGY

This audit evaluated the financial and managerial controls over In-Q-Tel, Inc., a nonprofit corporation established in accordance with Section 501 (c)(3) of the Internal Revenue Code and incorporated in the State of Delaware. Specific objectives of the audit were to determine whether:

- In-Q-Tel management has designed and implemented effective financial and managerial controls over In-Q-Tel operations.
- Agency management has appropriate insight into In-Q-Tel operations.

In conducting our audit, we reviewed the guidance provided to In-Q-Tel by its external legal counsel, the law firm of Arnold & Porter, regarding the formation of the corporation. Legal guidance addressed matters including the articles of incorporation, corporate charter and bylaws, maintenance of corporate minutes, tax returns, and the Charter Agreement and contract between In-Q-Tel and the Central Intelligence Agency (CIA). We also reviewed In-Q-Tel's corporate policies, procedures, accounting records, and managerial studies and reports prepared for In-Q-Tel by outside consultants.

Because In-Q-Tel is a new organization we placed no reliance on its internal controls and designed audit procedures to test their effectiveness. We reviewed In-Q-Tel's organizational structure, the assignment of authorities and responsibilities, and conducted tests of internal controls over the accounting system, including controls designed to ensure the accuracy, completeness, and proper authorization of financial transactions. We verified that an audit trail existed for financial transactions and tested internal controls over cash, investments, and equipment. We confirmed petty cash balances, examined bank reconciliations, and reviewed In-Q-Tel's analyses of budgetary forecasts and actual expenditures. We examined a randomly selected sample of accounts payable vouchers to determine whether expenditures were accurately computed, supported by adequate documentation, accurately recorded in the accounting records, and recognized in the correct accounting period. We also gained insight into In-Q-Tel's process for awarding and managing research and development (R&D) contracts by reviewing company policies, procedures, contracts, and contract negotiation documentation. We assessed In-Q-Tel's corporate policies on personal integrity, ethical values, and conflicts of interest.

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We visited two companies in which In-Q-Tel made equity investments—Media Snap, Inc., and Graviton, Inc.—to substantiate In-Q-Tel's investments and discuss with the respective companies' management the status of work being performed for In-Q-Tel. We also interviewed a senior executive of Oracle Corporation—a co-investor with In-Q-Tel in Media Snap, Inc.—to obtain his views on the risks and benefits of equity investing. We attended In-Q-Tel's December 2000 Board of Trustees' meeting and interviewed several board members to assess the extent of the board's involvement in guiding In-Q-Tel operations. In addition, we attended a meeting between In-Q-Tel's President and Chief Executive Officer (CEO) and technical experts from the investment banking firm Bear, Stearns & Co., Inc. to better understand how In-Q-Tel's CEO develops relationships with venture capitalists who may be in a position to provide information on companies that are developing technologies of interest to the Agency.

We examined the means by which Agency management maintains insight into In-Q-Tel operations, and we assessed the project screening process, contracting procedures, investment policies, financial controls, and the correlation between In-Q-Tel's projects and the Agency's problem set. We also reviewed the QIC's solution transfer and counterintelligence plans.

We did not perform a legal analysis of the Agency's authority to establish In-Q-Tel, nor did we perform a legal analysis of the provisions of the Charter Agreement and contract between In-Q-Tel and the Agency.

Our audit included tests of In-Q-Tel's accounting records from its inception in February 1999 through July 2000. We conducted our audit work at In-Q-Tel offices in Rosslyn, Virginia and Menlo Park, California, and with various components within the Agency. The audit was conducted from August 2000 through January 2001 and in accordance with generally accepted government auditing standards.

This audit was undertaken as part of the Office of Inspector General calendar year 2000 work plan. The audit also addresses a requirement included in the Classified Annex on Intelligence and Other Classified Activities accompanying the Defense Appropriation Bill for Fiscal Year 2001 submitted by the House of Representatives (H.R. 4576). That report directed the Director of Central Intelligence (DCI) to submit a report by 1 March 2001 that addresses:

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1. The legal authorities used to establish In-Q-Tel.
2. The plan for transferring tested and certified technology to the CIA.
3. The legal ramifications of ownership, licensing, and general use of intellectual property.
4. The management oversight provided by the CIA to ensure that federal laws, rules, and regulations are properly observed and practiced.

This audit responds to item number four. Responsibility for addressing items one through three resides with the Agency's Office of General Counsel (OGC) and the QIC. In addition, the Classified Annex to the Fiscal Year 2000 Intelligence Authorization Conference Report (H. Rept. 106-457) directed that a cost versus benefit assessment of In-Q-Tel be conducted by a group independent of In-Q-Tel and the CIA and that the assessment be delivered to Congress by March 2001. That assessment was undertaken by *Business Executives for National Security* and was not a part of this audit.

BACKGROUND

In-Q-Tel Role in the Director of Central Intelligence Strategic Direction

On 5 May 1998, the DCI announced his "Strategic Direction" for focusing Agency capabilities and resources on efficiently and effectively carrying out the Agency's mission. With regard to the field of information technology, the DCI stated:

> Beginning with the critical field of information technology, we will pursue this approach through the creation of an external not-for-profit enterprise, designed to be electronically connected to leading researchers throughout the country. This new entity will speed our insertion of mature technologies, support rapid development of mission-critical applications, and enhance our ability to attract the skills and expertise vital to our success.

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In-Q-Tel, Incorporated

To implement the DCI's vision, the Agency provided for the establishment of In-Q-Tel, a private, non-stock issuing, nonprofit corporation.[1] In-Q-Tel's Certificate of Incorporation states that the organization will be operated exclusively for charitable, scientific, and educational purposes. On 19 June 2000, the In-Q-Tel Board of Trustees unanimously approved an irrevocable resolution that the corporate charter could not be changed to make In-Q-Tel a for-profit corporation without the prior written consent of the US Government. The resolution became effective 29 August 2000.

In-Q-Tel 's mission is to exploit and develop new and emerging information technologies and pursue research and development activities in order to provide innovative solutions to the most difficult problems facing the Agency and Intelligence Community. In-Q-Tel and the Agency negotiated a five-year Charter Agreement that describes the broad framework for the parties' relationship and establishes the general policies and specific terms and conditions that apply to the contemporaneously executed contract between the parties. The Charter Agreement and contract were signed on 28 July 1999.

In-Q-Tel is staffed with 28 professional and administrative employees and eight business and technology consultants.[3] Gilman Louie is President and CEO of In-Q-Tel. Prior to his employment at In-Q-Tel, Louie was Chief Creative Officer and General Manager of Hasbro Interactive's Games.com group. Louie is assisted by Ronald Brian Richard, the recently appointed Chief Operating Officer and Stephen Mendel, Executive Vice President of Commercialization and Investments, who directs In-Q-Tel's venture capital strategy and leads the west coast commercialization team. Other senior management positions include: Chief Financial Officer, Chief Strategic Officer, Human Resource Director, and General Counsel.

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[1] In-Q-Tel was originally incorporated as PELEUS, Inc. on 17 February 1999. The corporate name was changed to In-Q-It in July 1999 and subsequently changed to In-Q-Tel in January 2000.

[2] Prior to the award of the current contract, the Agency had provided via a separate contract with In-Q-Tel, dated 26 March 1999. The initial contract provided funding to conduct design and startup activities, including finalizing In-Q-Tel's business plan, acquiring interim office space, and hiring initial staff. The total value of the two contracts between the Agency and In-Q-Tel is

[3] In-Q-Tel's personnel figures are as of December 2000.

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The In-Q-Tel Board of Trustees

In-Q-Tel's corporate bylaws provide for a Board of Trustees to oversee In-Q-Tel operations.[4] Although required by the bylaws to meet semiannually, In-Q-Tel's trustees have met quarterly and formed executive, audit and ethics, finance, and human resource committees to carry out their responsibilities. The bylaws permit the CEO of In-Q-Tel to attend all board and committee meetings but do not allow him to vote on any board matters. The Board of Trustees' duties include but are not limited to reviewing In-Q-Tel's internal controls; compliance with laws, regulations, and corporate code of conduct; financial reports; and In-Q-Tel's personnel compensation plan. The Board is also responsible for reviewing reports prepared by external auditors and ensuring that audit recommendations are acted upon.

The In-Q-Tel Interface Center (QIC)

The In-Q-Tel Interface Center (QIC—pronounced "quick") is the link between the Agency and In-Q-Tel. According to its strategic planning document, QIC's vision is:

> [T]o be the Agency's preferred investment vehicle for developing and delivering innovative information technology solutions that meet the Agency's critical needs and are generally commercially successful.

QIC's mission is to ensure the development, transition, and acceptance of unique, value-added, commercially viable information technology solutions that meet the Agency's needs. To be successful in its mission the QIC must:

- Execute a corporate approach to Agency problem set development and solution transfer management involving extensive communication and participation in the Agency's coordination and decision processes.
- Partner with [In-Q-Tel] in developing and monitoring [In-Q-Tel's] business plan, contractual requirements, project development progress, and other commitments.

[4] Exhibit A identifies the members of In-Q-Tel's Board of Trustees as of December 2000.

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- Lead internal Agency prototype testing and facilitate deployment within the Agency with the assistance of [In-Q-Tel] and Agency partners and customers.[5]

The Agency's Authority to Contract With In-Q-Tel

(U//FOUO) The Agency's procurement authorities are contained in section 3 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C. §403c), and the Federal Property and Administrative Services Act (41 U.S.C. §§251-260). Section 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. §403j) provides extraordinary fiscal authorities that can be applied to supplement the Agency's other basic procurement authorities. Section 8 provides that, notwithstanding any other provisions of law, sums made available to the Agency by appropriation or otherwise may be expended for purposes necessary to carry out the Agency's functions, and that sums made available to the Agency may be expended without regard to the provisions of laws and regulations relating to the expenditures of government funds.

The Charter Agreement Between In-Q-Tel and the Agency

The Charter Agreement specifies that In-Q-Tel's policies, practices, and procedures will have the objective of making the corporation:

1. Agile—to respond rapidly to Agency needs.
2. Problem driven—to link its work to Agency program managers.
3. Solution focused—to improve the Agency's capabilities.
4. Team oriented—to bring diverse participation and synergy to projects.
5. Technology aware—to identify, leverage, and integrate existing products and solutions.
6. Output measured—to produce quantifiable results.
7. Innovative—to reach beyond the existing state-of-the-art in Information Technology.
8. Self-sustaining—to reduce its reliance on CIA funding.

[5] QIC Strategic Plan document dated 17 December 1999.

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The Charter Agreement between In-Q-Tel and the Agency is intended to provide In-Q-Tel with sufficient flexibility to enter into business relationships on terms and conditions that are customary in the private sector information technology marketplace. In-Q-Tel management believed that an agreement that required adherence to the standard US Government contracting provisions included in the Federal Acquisition Regulation (FAR) and required the flow down of those provisions to subcontracts, would significantly hinder In-Q-Tel's ability to engage the emerging information technology firms that hold the greatest potential to offer solutions to the Agency's problem set. In-Q-Tel management was particularly concerned over the broad rights granted the US Government by FAR contract clauses dealing with intellectual property. In-Q-Tel believed that prospective subcontractors would balk at contract provisions that gave the US Government unlimited rights in intellectual property and urged that the FAR clauses regarding data and patent rights be modified to limit usage to "government purposes."[6]

In order to strike a balance in the Charter Agreement between granting In-Q-Tel maximum flexibility and preserving the intent of the FAR, the Agency's OGC undertook a review of the standard FAR contract clauses to identify the statutes underlying the clauses and determine whether authority existed to waive inclusion of the clauses in the Charter Agreement and subcontracts. OGC concluded that those FAR clauses that were strictly regulatory in nature could be waived or modified under authorities generally available to the heads of Federal departments and agencies or under the Agency's own internal regulations. Other FAR clauses based on the Federal Property and Administrative Services Act were waivable under the Agency's exemption contained at 40 U.S.C. §474. The OGC determined that two statutes underlying FAR contract clauses addressing affirmative action for workers with disabilities and disabled veterans and veterans of the Vietnam Era—The Rehabilitation Act of 1973, as amended (29 U.S.C. §793), and the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. §4211 and §4212)—limited waiver authority to the Secretary of Labor. The OGC concluded that authority available to the DCI under section 8

[6] Section III.G-1 of the Charter Agreement defines "government purpose" as:

> [A]ny activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations, or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display or disclose data for commercial purposes or to authorize others to do so.

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of the Central Intelligence Agency Act of 1949 (50 U.S.C. §403j) could be relied on to waive inclusion of the FAR clauses implementing these two statutes.

The Agency used a combination of its procurement and section 8 authorities to negotiate the Charter Agreement, which is similar to the "other transaction" procurement instruments employed by the Defense Advanced Research Projects Agency.[7] Because the Charter Agreement and contract between the Agency and In-Q-Tel does not conform to a standard FAR based agreement, only those clauses specifically included in the Charter Agreement and contract apply. Section III.A, of the Charter Agreement, *Contract Interpretation*, specifically states:

> The Corporation shall have only those obligations expressly stated or expressly incorporated by reference in this Contract. Requirements contained in other standard Government clauses, regulations, or circulars are not included or made a part hereof. To the extent that any such clauses, regulations or circulars would otherwise apply to this Contract, the CIA has taken the proper steps necessary to waive or deviate from their requirements pursuant to applicable statutes or regulations authorizing such waivers or deviations.

Exhibit B lists the statutes underlying FAR contract clauses that were included in the Charter Agreement between In-Q-Tel and the Agency and discusses whether and how FAR clauses were modified for inclusion in the Charter Agreement.

[7] Section 845 of the National Defense Authorization Act for Fiscal Year 1994 provided the Defense Advanced Research Projects Agency (DARPA) temporary authority to enter into agreements for prototype projects using nonstandard contracting approaches referred to as "other transactions." Congress granted DARPA other transaction authority because of concern that Government-unique procurement requirements inhibited the Department of Defense's ability to take advantage of technological advances made by private sector firms and increased the costs of goods and services that DoD acquired.

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Evolution of the Charter Agreement in Response to In-Q-Tel's Changing Business Practices

In-Q-Tel began operations in a small office in Washington, D.C. on 19 February 1999. The first Board of Trustees' meeting was held on 20 February, and Michael M. Crow, Executive Vice Provost of Columbia University, was selected as interim president. Crow's initial activities focused on establishing an administrative infrastructure for In-Q-Tel—acquiring office space, hiring staff, purchasing office equipment, and establishing a financial accounting system. Several of In-Q-Tel's initial contracts were awarded to large corporations that had a long association with the Agency and the US Government. The statements of work for the contracts generally required a survey of the information technology industry to identify leaders in state-of-the-art research and development. At the time, In-Q-Tel had a small professional staff, and individuals were required to assume multiple responsibilities.

With the appointment of Gilman Louie as CEO of In-Q-Tel in September 1999, In-Q-Tel management began to advance a new business practice that featured the use of equity investments rather than traditional subcontracts as a means to gain leverage with information technology firms and influence the development of technology that is both applicable to the Agency's problem set and commercially promising. The new approach allowed In-Q-Tel to leverage the equity capital contributed by other investors and, in so doing, increase the likelihood that In-Q-Tel's investment in a promising information technology firm would yield solutions for the Agency's problem set. In-Q-Tel management envisioned that in most cases an equity investment in a company would be accompanied by a separately negotiated and priced work program, which would be similar to a traditional subcontract.

When In-Q-Tel management began making equity investments in information technology firms, they approached the Agency for additional relief from the data rights provision included in the Charter Agreement. Although the language of the Charter Agreement was purposefully crafted for flexibility, In-Q-Tel management believed it did not provide sufficient flexibility for In-Q-Tel's new business practices. In-Q-Tel management stated that small start-up companies adamantly opposed the inclusion of government purpose rights in their contracts because it effectively foreclosed the entire US Government market to the companies'

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products.[8] After several rounds of discussions between Agency and In-Q-Tel personnel, and further review by the Agency's OGC, Agency management agreed that in mixed funding scenarios, where deliverable items were not developed exclusively at US Government expense, a "special license" appropriate to the circumstances could be negotiated with subcontractors under existing terms of the Charter Agreement. [9]

In-Q-Tel management also argued that the flow-down of government purpose rights in patents was ill suited to equity investment business arrangements. In-Q-Tel management said they had experienced significant difficulty in negotiating an equity deal with a potential subcontractor that possessed promising technology for the protection of digital property, a technology applicable to the Agency's problem set. The subcontractor's management viewed the US Government-wide, nonexclusive, royalty-free license as too great an encumbrance on a patent because it diluted the value of the patent and the company's overall economic position with respect to the technology.

Agency management advised In-Q-Tel that unlike the data rights provision, the FAR patent rights provision included in the Charter Agreement had a statutory basis that provided the US Government an interest in inventions made under contracts, regardless of the sources of funds that contributed to the development of the invention.[10] In-Q-Tel proposed to

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[8] In commenting on a draft of this report, In-Q-Tel's CEO stated that the flow-down of government purpose rights to equity investments is acceptable to subcontractors in situations where the US Government is the sole investor and there are no commercial or financial investors providing alternative sources of capital to the subcontractors. In most cases, In-Q-Tel is investing in companies along with commercial or financial investors, or In-Q-Tel anticipates that the companies will need to attract other investors in the near future.

[9] Agency management believed that the FAR, Part 27 provided flexibility in negotiating licenses in mixed funding scenarios. For example, In-Q-Tel could negotiate "Agency purpose" rights that would grant license rights to the Central Intelligence Agency but not to the US Government at large.

[10] The Bayh-Dole Act, 35 U.S.C. §§200-212, establishes the patent regime applicable to Federal contracts with non-profit organizations such as In-Q-Tel. The Bayh-Dole Act provision is implemented in the patent regulations in FAR Part 27 and in the contract clause at FAR 52.227-11. The standard patent clause for the allocation of principal rights at FAR 52.227 states:

> The Contractor may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

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address the matter by amending the Charter Agreement to exclude equity investments from the meaning of the term "subcontracts."

After several requests from In-Q-Tel to waive the inclusion of US Government patent rights provisions were approved by the Agency's Procurement Executive, Agency and In-Q-Tel management agreed to modify the Charter Agreement to exclude equity investments from the meaning of the term "subcontract," and to provide for the case-by-case waiver of all flow-down provisions included in the Charter Agreement from In-Q-Tel's subcontracts. The following language was added to the Charter Agreement:

> [In-Q-Tel] shall ensure that its subcontracts include applicable flow-down provisions required by this Agreement or the parties' associated contracts. However, there may be circumstances in which a subcontractor objects to such a provision, and [In-Q-Tel] believes that awarding a subcontract that omits the provision in question would contribute materially to accomplishing the objectives of this Agreement. In such a case, [In-Q-Tel] shall:
>
> 1. advise the Agency;
> 2. provide the Agency with any information it may request in order to evaluate the issue; and
> 3. refrain from awarding a subcontract that omits the flow-down provision in question unless it obtains the Agency's prior approval.
>
> The parties agree that equity investments are not considered to be subcontracts for the purposes of this Agreement and that subcontract flow-down provisions are not applicable to equity investments.

[11] The Office of Inspector General did not assess whether section 8 can be used to waive the requirements of the Bayh-Dole Act.

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> [In-Q-Tel] shall consult with the Agency prior to entering into any equity investment agreement using funds that have been provided by the Agency and shall provide the Agency with sufficient insight into the proposed equity investment so as to allow the Agency to ascertain whether the equity investment will contribute materially to the accomplishment of the objectives of this Agreement.

As a result of the modifications to the Charter Agreement, In-Q-Tel equity investments do not convey any intellectual property rights to the Agency or the US Government. Rights obtained by the Agency under companion work programs separately negotiated and priced with companies in which In-Q-Tel has made an equity investment vary on a case-by-case basis, but usually consist of "Agency purpose license rights." The rest of the US Government will typically acquire no intellectual property rights as a result of an In-Q-Tel equity investment and companion work program and would have the option to purchase developed products on terms that are no less favorable than those available to other customers acquiring such license from the seller.

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In-Q-Tel's Business Process

In-Q-Tel management has developed a sequential business process that allows In-Q-Tel management to match the Agency's problem set with emerging information technologies and track the development of information technology solutions, i.e., solutions to the Agency's problem set, through development and deployment. The process includes nine "Q" phases:

Q_o—Agency Needs Definition/Problem Set.

Q_1—Portfolio Management.

Q_2—Contracting.

Q_3—Concept Definition and Demonstration.

Q_4—Prototype and Testing.

Q_p—QIC/In-Q-Tel Piloting.

Q_b—End-User Piloting.

Q_d—Deployment and Agency Acquisition.

Q_5—Commercialization.

QIC is primarily responsible for Q_o, Q_p, Q_b, and Q_d. In-Q-Tel is primarily responsible for Q_1-Q_5.

Figure 1: The "Q" Process

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The process begins as the Agency develops a priority list of its most critical information technology requirements—the "problem set." The Agency problem set is defined, validated, arranged in order of priority, and submitted to In-Q-Tel in unclassified form annually. During portfolio management, In-Q-Tel surveys the commercial, industrial, and academic communities for technologies that may yield solutions to the Agency's problem set. At the same time, In-Q-Tel assesses and forecasts the potential for a commercial market for the technologies. During the contracting phase, In-Q-Tel matches companies and technologies with specific requirements identified in the Agency's problem set. In consultation with QIC personnel and expected Agency customers, In-Q-Tel awards contracts and makes equity investments in companies that are developing promising technologies. During the concept definition and demonstration phase, In-Q-Tel and its subcontractors and partners perform research and development, explore proof of concept prototypes, and assess the feasibility of a given approach or solution. Successful Q_3 efforts advance to prototype development and testing, where In-Q-Tel or its subcontractors and partners customize and enhance the features and capabilities of the deliverable based upon feedback from expected Agency customers. In-Q-Tel's development team and QIC personnel work closely with customers to integrate the solution into the customer's work process for pilot testing and evaluation. In-Q-Tel personnel drive the deployment of successful prototypes in the commercial market and assist QIC personnel in the deployment/Agency acquisition phase.

DETAILED COMMENTS

(U) Overall, In-Q-Tel Management Has Designed and Implemented Effective Financial and Managerial Controls

Overall, In-Q-Tel management has designed and implemented effective financial and managerial controls over In-Q-Tel operations. In-Q-Tel's accounting system is well designed and operating effectively to provide management with accurate and reliable accounting data. Cash and investment accounts reconcile with accounting records, and our review of other current asset accounts did not disclose any material errors or omissions. Expenses are generally adequately supported and properly recorded in In-Q-Tel's accounting records. In-Q-Tel's Chief Financial Officer keeps the CEO well informed of the status of In-Q-Tel's financial operations. We found, however, that In-Q-Tel management needs to strengthen internal controls related to contracting,

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equipment management, and corporate security. We also believe that opportunities exist to improve the effectiveness of In-Q-Tel's ethics program.

In-Q-Tel's Procurement Practices Should Be Strengthened

In-Q-Tel's contracting and purchasing personnel are not adequately evaluating vendors' proposed prices. In addition, contracting personnel have not in every instance adequately documented contracting activity. As a result, In-Q-Tel may be paying too much for goods and services and may not be able to substantiate a claim in the event of a contract dispute.

Vendor Quotes Should Be Subjected to Cost or Price Analysis

Sound procurement practice requires analysis of price or cost data to determine whether vendors' proposals are fair and reasonable. Price analysis is the process of evaluating the reasonableness of an offered price without examination and evaluation of the separate elements of cost and profit that make up the price. Price analysis typically includes comparing proposed prices with prices at which the same or similar items have previously been purchased or with prices quoted by other vendors. Cost analysis is a more extensive and intrusive process involving the examination of the offeror's actual or anticipated costs. Cost analysis requires the application of experience, knowledge, and judgment in the evaluation of cost data in order to project reasonable estimates of contract costs.

We tested In-Q-Tel's procedures for performing cost and price analysis and determining whether offered prices were fair and reasonable. We judgmentally selected contracts and purchase orders ranging in cost from for review. Despite an In-Q-Tel policy that requires at least one competitive price quote for all purchases and two quotes for purchases in excess of the files associated with of the procurement actions included no documentation to substantiate the reasonableness of the purchase prices.[12]

[12] During October 2000, In-Q-Tel was in the process of revising its purchase order procedure to require three quotes for purchases over of the procurement actions reviewed were valued in excess of

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We also noted that there was no documentation that contract negotiations had resulted in any cost savings on In-Q-Tel's contracts. We compared vendors' proposed prices to the final negotiated prices on six of In-Q-Tel's contracts. We were limited in our review because only six of In-Q-Tel's 22 contract files included copies of the vendors' proposals. Contract negotiations on five of the six contracts resulted in a final contract price that was the same as the price proposed by the vendor. The contract price on the sixth contract was ess than the proposed price, but the reduction in cost was the result of a change in the scope of the work to be performed on the contract.

In the early days of In-Q-Tel operations, the company was short-staffed and under pressure to utilize funds provided under its contract with the Agency. The weaknesses in In-Q-Tel's procurement practices noted during the audit can be largely attributed to these conditions. In-Q-Tel's CEO acknowledged the need to evaluate the reasonableness of amounts paid to vendors. In commenting on a draft of this report, In-Q-Tel's CEO stated that he has hired a new procurement/facilities manager, who is subject to direct oversight by the controller and chief financial officer. The controller is being cross-trained to handle procurement management functions when the procurement/facilities manager is absent.

Contract Files Should Contain a Complete Record of Significant Contracting Activity

In-Q-Tel's contract files do not fully document all significant contracting activities. For one of the contracts we reviewed, the contract file did not document the reason why In-Q-Tel did not take advantage of a discount offered by the vendor. The vendor submitted proposals to In-Q-Tel in response to three separate requirements and offered In-Q-Tel a significant discount if In-Q-Tel awarded the vendor more than one contract. Although In-Q-Tel awarded the vendor two contracts, the negotiated contract prices did not reflect the offered discount. The contract files did not explain why the discount had not been taken or document what consideration was obtained in lieu of the discount. In-Q-Tel management could not explain why the discount was not taken, because contract documentation was incomplete and the individual who negotiated the contract on behalf of In-Q-Tel was no longer an employee. During our audit, In-Q-Tel contacted the vendor regarding the discount. The vendor replied to In-Q-Tel management that the offered discount had been waived by In-Q-Tel's representative during contract negotiations. In-Q-Tel management concluded that they were unable

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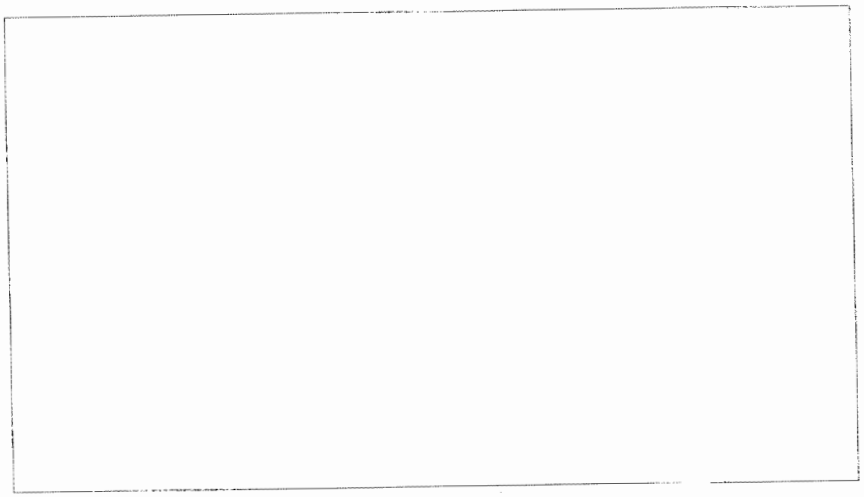
to pursue the matter further because they did not have a documented record of the contract negotiations. This example underscores the importance of documenting all significant contracting activities and maintaining contract documentation in an organized filing system so that it is readily available for use in the event of a contract dispute.



In commenting on a draft of this report, In-Q-Tel's CEO stated that he believes, in general, In-Q-Tel has adequately evaluated vendors' proposed prices. He acknowledged that In-Q-Tel's files have not always contained documentation that would substantiate the reasonableness of purchase prices and comparisons of multiple price quotes. The CEO commented that In-Q-Tel had implemented and recently updated policies for purchasing commercially available products and services.

The CEO commented that with respect to project agreements In-Q-Tel follows its Outreach Policy,[13] and In-Q-Tel's negotiating staff has always attempted to make sure that the prices for services and goods are reasonable. Given In-Q-Tel's mission to look for new, advanced information technology solutions, In-Q-Tel's project contracts are negotiated not on price, but on the uniqueness and quality of the solution. Although price is evaluated to make sure it is not excessive, the solution and work product rather than the negotiation of price are the key considerations. Nonetheless,

[13] In-Q-Tel's Outreach Policy sets forth the guiding principles that govern the selection of research and development sources. The policy states that In-Q-Tel's selection procedures will be shaped by three guiding principles: fairness, openness, and flexibility.

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In-Q-Tel's representatives are charged with understanding the marketplace for comparable goods and services, customary prices, and factoring those matters into contract negotiations.

In-Q-Tel's CEO also commented that substantial contract negotiations are conducted orally prior to the preparation of contract documents and that the lack of documentation concerning negotiations does not necessarily mean that prices were not negotiated. The CEO agreed that adequate contract documentation is important, and additional staff in the legal and program management areas have been retained to ensure adequate documentation is in place. Additional legal staff have been hired for the Rosslyn, VA office to implement an improved filing system. In lieu of hiring additional legal staff for In-Q-Tel's Menlo Park, CA office, electronic copies of contract documentation will be made available by the Rosslyn, VA office.

With regard to the discount discussed above, In-Q-Tel's CEO commented that it is not uncommon for contract terms, including price, to be adjusted during contract negotiations. The CEO suggested that the discount was relinquished during negotiation of the scope of work and other contractual provisions. The CEO pointed out that the negotiated contract included a royalty provision in favor of In-Q-Tel and a provision giving In-Q-Tel rights to commercialize the relevant technology in certain circumstances—provisions that were not included in the contractor's proposal. The CEO agreed that this occurrence reinforced the need to maintain adequate documentation of contract negotiations, but disagreed with any implication that inadequate negotiations had "left on the table."

In-Q-Tel Needs to Improve Its Control Over Equipment

In-Q-Tel does not have effective administrative control of its equipment. In-Q-Tel management needs accurate equipment records to effectively manage and control computer hardware, software, and other computer-related equipment; office equipment such as shredders, copiers, and fax machines; video equipment; and portable equipment such as cell phones, pagers, and personal digital assistants. Without accurate accounting records, In-Q-Tel management cannot effectively plan for repair and replacement of equipment and maintain effective physical control. In addition, weak administrative controls place In-Q-Tel's equipment at greater risk of theft or

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misuse, and the inaccurate equipment records may impact the accuracy of In-Q-Tel's financial statements.[14]

We tested the accuracy of In-Q-Tel's equipment records by judgmentally selecting computers and other information technology equipment on hand at In-Q-Tel's facilities and determining if the equipment was on In-Q-Tel's equipment inventory records. We found 16 property items at In-Q-Tel's Rosslyn, Virginia office that had In-Q-Tel property tags attached but had not been recorded in the equipment inventory records. We discontinued our testing procedure at the Menlo Park, California office after identifying numerous items of equipment that had not been labeled or added to equipment inventory records. In-Q-Tel management told us that some of the untagged equipment was owned by employees and had been brought into the office for use until In-Q-Tel could purchase its own equipment. All In-Q-Tel equipment should be prominently tagged to identify it as In-Q-Tel property and to distinguish it from employees' personal property.

In-Q-Tel's Chief Financial Officer told us that he plans to transfer equipment inventory records from the current Microsoft Excel spreadsheet to a fixed asset system that will be integrated with In-Q-Tel's accounting system during the first half of calendar year 2001 to improve control of the equipment. In-Q-Tel management should also arrange for periodic physical inventories to be taken of its equipment to verify the accuracy of inventory records and improve accountability and control of equipment. In-Q-Tel's Security Plan requires that annual inventories of information technology equipment be conducted and specifies that all such equipment will be labeled with In-Q-Tel property tags and recorded in a configuration management system. The security plan states that an effective configuration management program is an essential component of a high-assurance security environment.

[14] The scope of our audit included testing the effectiveness of managerial controls over equipment. We did not assess whether weak internal control over equipment had a material affect on In-Q-Tel's financial statements.

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[redacted]

In-Q-Tel Has Not Fully Implemented Its Security Plan and Policies

[redacted] In-Q-Tel has developed a comprehensive set of security policies and has promulgated these policies in a formal *Security Policy, Plan and Procedures Handbook*. The Security Plan, which was completed on 18 April 2000, has as its stated purpose "to describe the process by which the security and safety of In-Q-Tel's information assets and company operations are ensured and to define responsibilities for executing the security plan." During interviews with In-Q-Tel personnel, we learned that several key security procedures included in the plan and handbook have not been implemented.

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Background Checks Need to Be Performed on Employees

In-Q-Tel has not performed background checks on any of its employees who do not have a US Government security clearance. The Security Plan states that personnel security is the first line of defense against security threats and personnel security starts with the screening of personnel prior to employment. In-Q-Tel's Policy on Personnel Security states "Prospective employees will undergo a due diligence BI [background investigation] that includes criminal and credit checks as well as verification of citizenship, employment history and education." Both the Security Plan and Policy on Personnel Security state that all prospective employees not already holding a US Government security clearance will undergo a pre-employment background check. In-Q-Tel should complete background checks on all current employees and obtain background checks on prospective employees to help ensure the safety of corporate information, facilities, and assets.

A Formal Security Education and Awareness Program Should Be Implemented

In-Q-Tel does not have a formal security education and awareness program in place for its employees. According to In-Q-Tel's Security Plan, it is a prerequisite of employment that individuals receive an initial security orientation briefing on security policies and procedures. We found that In-Q-Tel's initial security briefing consists of providing the employee a copy of the security policies and instructing the employee on the biometrics entry and office alarm systems. Further security training had been conducted at In-Q-Tel staff meetings and through occasional unclassified security briefings by Agency security personnel. The scheduling of In-Q-Tel staff meetings, however, has become irregular and In-Q-Tel's Security Director acknowledged a need for more formal and regular security training for staff personnel. A formal security education and awareness program would help to ensure that employees have been trained in In-Q-Tel's security policies, are aware of emerging security issues, and understand the importance of following good security practices.

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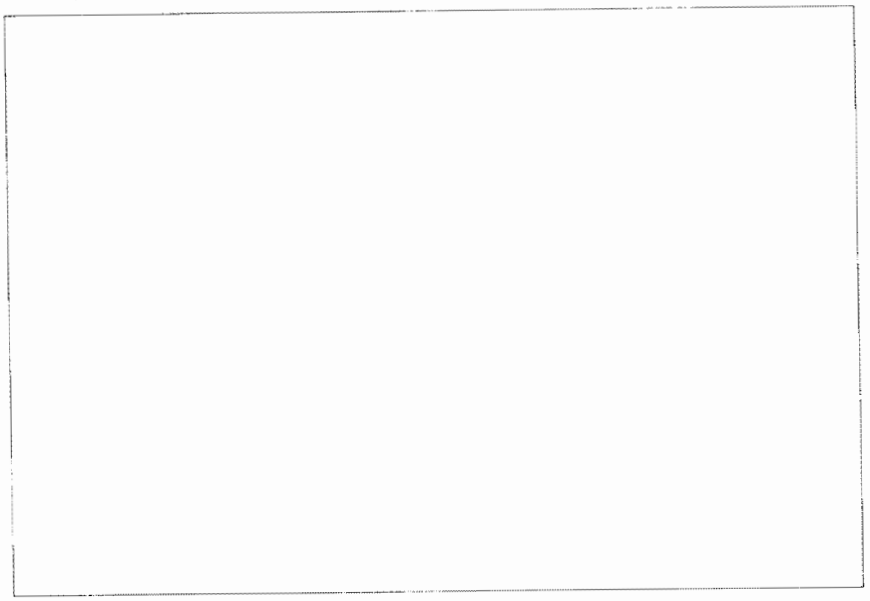
Continuity of Operations Procedures Need to Be Strengthened

In-Q-Tel does not have adequate procedures in place to ensure continuity of operations. The Security Plan states that backup and continuity of operations procedures are required for all critical In-Q-Tel systems and networks. Although the network servers for both the Rosslyn and Menlo Park offices are backed-up nightly at the Rosslyn office, the backup tapes are stored at the Rosslyn office in a non-fireproof cabinet. Off-site secure storage of backup tapes is the preferred method of preventing the loss of data due to fire, flood, or other disasters.

The Security Plan also states that specific guidance for system administration personnel in dealing with emergency and contingency conditions will be documented in a Standard Operational Procedure (SOP) Manual. In-Q-Tel has not developed an SOP Manual to deal with disaster recovery. This leaves In-Q-Tel management with inadequate assurance that In-Q-Tel data and systems will be protected in the event of a disaster.



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[redacted]

In-Q-Tel's Ethics Program Can Be Improved

In-Q-Tel provides each employee a copy of the *Employee Handbook* which contains the Corporate Ethics Statement and a comprehensive list of Standards of Conduct. In-Q-Tel employees are not, however, provided formal ethics training. The Corporate Ethics Statement requires employees to subscribe to the highest ethical principles and to avoid conduct that would raise questions about In-Q-Tel's integrity or damage its reputation. It states that any violation of ethical principles is a serious matter that will result in appropriate corrective measures and/or disciplinary actions, up to and including dismissal. Each employee is required to sign a Receipt and Acknowledgment of Understanding statement acknowledging that the employee is responsible for reading the *Employee Handbook* and adhering to all of the policies and procedures contained therein.

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In addition to providing employees a handbook of ethics policies, many corporations provide their employees general ethics training and specific compliance training. Although we did not identify any ethics violations by In-Q-Tel employees, periodic ethics training would reinforce employees' understanding of In-Q-Tel's ethics policy, management's commitment to maintaining an ethical workplace, and the employees' ethical obligations.

In-Q-Tel Needs to Appoint a Corporate Ethics Officer

In-Q-Tel management has not appointed a Corporate Ethics Officer. In-Q-Tel's Conflict of Interest Policy For Employees states "Any questions concerning this Policy should be raised with the Ethics Officer designated by the Corporation's Chief Executive Officer." Ethics officers actively seek to address issues before they become serious problems. The Ethics Officer is responsible for receiving and evaluating facts concerning conflicts of interest or potential conflicts of interest and determining what measures should be taken to eliminate the conflict. The Ethics Officer is also responsible for monitoring and overseeing compliance with the Organizational Conflict of Interest Policy, Ethics Policies and Procedures, and coordinating periodic ethics training.

In-Q-Tel Should Establish a Means By Which Employees Can Report Suspected Illegal or Unethical Conduct

In-Q-Tel should implement a means by which employees can confidentially report suspected illegal or unethical conduct to a designated ethics officer, legal counsel, or the Audit and Ethics Committee of the Board of Trustees. In-Q-Tel has a Complaint Resolution Procedure that encourages employees to discuss problems with their immediate supervisor or the Chief Financial Officer. But employees fearing reprisal may be reluctant to use the Complaint Resolution Procedure. Both the government and the commercial sectors have encouraged the use of confidential hotlines for reporting instances of fraud, waste, and mismanagement in order to promote a proactive oversight and follow-up system.

Procedures should be communicated to each employee on how to report suspected illegal or unethical conduct, who is responsible for receiving the reports, and how the reports will be acted on.

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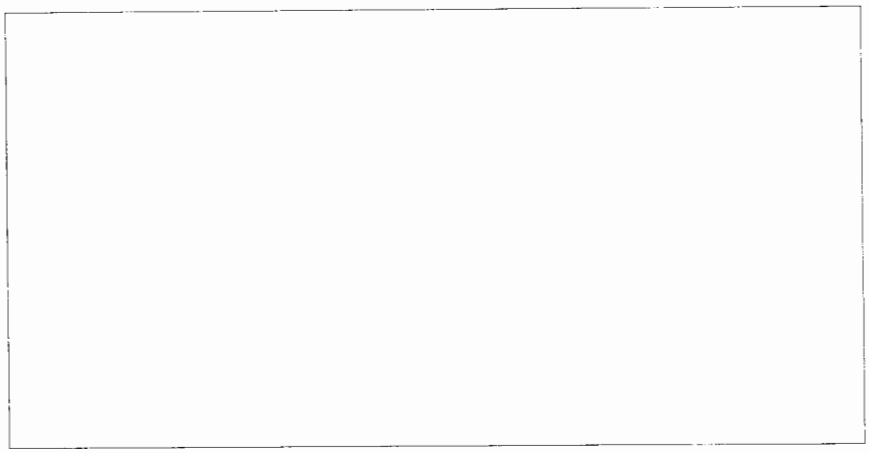

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Agency Management Has Established Appropriate Insight Into In-Q-Tel Operations, But Areas of Concern Remain

QIC management has appropriate insight into In-Q-Tel operations and is effectively monitoring contract performance. QIC and In-Q-Tel personnel maintain a close and continuous working relationship. Senior members of both organizations attend weekly Review Board meetings to discuss ongoing projects and new opportunities. In addition, QIC and In-Q-Tel staff hold quarterly Partnership Management Reviews (PMR) to formally assess progress under the contract and issues of common concern. At each PMR, QIC and senior Directorate of Science and Technology personnel are briefed on the status of In-Q-Tel projects, changes in In-Q-Tel's staff and organization, and the financial status of In-Q-Tel operations. The QIC staff, in turn, provides performance feedback to In-Q-Tel personnel and briefs them on the progress QIC has made in transferring In-Q-Tel-developed solutions into the Agency. QIC personnel also give In-Q-Tel personnel advice and guidance on the future direction of In-Q-Tel's work. Although the QIC has effective insight into In-Q-Tel operations, the successful transfer of In-Q-Tel-developed solutions into the Agency and the counterintelligence vulnerabilities inherent in the relationship between the Agency and In-Q-Tel are areas of concern that are critical to the long-term success of In-Q-Tel.

Successful Solution Transfer is Critical to the Success of In-Q-Tel

In our interviews with senior managers of In-Q-Tel and the QIC, and in discussions between In-Q-Tel Trustees at their December 2000 meeting, the transfer of In-Q-Tel-developed solutions into the Agency was cited as a significant area of concern. The Agency's contract with In-Q-Tel required the development and delivery of a solution transfer plan by 31 January 2000. The initial solution transfer plan focused on creating a generic process that could be used to transfer all In-Q-Tel solutions into the Agency. But discussions between QIC and In-Q-Tel personnel on solution transfer during the first half of calendar year 2000 remained largely on the theoretical level as In-Q-Tel's projects and business practices were still evolving and project deliverables were months away.

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In the second half of calendar year 2000, as In-Q-Tel projects and processes matured, a working group was formed to address solution transfer. The working group decided that because of the uniqueness of each In-Q-Tel project, a generic solution transfer process was not the answer. Instead, the working group developed a solution transfer plan template that outlines the factors that must be taken into account in every solution transfer, while providing the flexibility for each transfer to be accomplished in the manner befitting individual circumstances. Lessons learned from the transfer of In-Q-Tel's first information technology solution, the Presidential Intelligence Dissemination System (PIDS), proved valuable to the working group in identifying the factors that must be considered and dealt with in the solution transfer process. The working group has drafted a solution transfer framework paper to be used to communicate the solution transfer plan template to QIC and In-Q-Tel personnel.

While QIC and In-Q-Tel personnel were working on the mechanics of solution transfer, QIC management sought to address the Agency-wide cultural and procedural barriers that could impact solution transfer. QIC managers recognized that they would face the same impediments that other Agency components had experienced in integrating new information technologies within the Agency. In a briefing to the Agency's Executive Board in June 2000, QIC management stated that In-Q-Tel's success required the support and involvement of the Executive Board, mission managers, subject matter experts, and end-users at every phase of In-Q-Tel's business process. QIC management emphasized the need for cooperation from various Agency components in facilitating approvals and integrating In-Q-Tel-developed solutions into the Agency. Of immediate concern were the barriers imposed on solution transfer by the Agency's complex information systems approval processes.[15]

At the urging of the DCI, the Executive Board took action to facilitate implementation of In-Q-Tel solutions. The board committed to designating "champions" and "drivers" from among Agency senior managers for each In-Q-Tel project. The champions and drivers will become the owners of In-Q-Tel projects and facilitate their integration into Agency processes by identifying hosts for pilot programs, evaluating budget implications, establishing a sense of component ownership, and ultimately introducing

[15] There are currently four corporate level, and at least component and office level information systems review boards in the Agency. Information obtained from the Agency's Office of Advanced Information Technology in the Directorate of Science and Technology shows that the current process to introduce new information technology into the Agency can require up to 447 days.

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solutions to the Agency work environment. Also, in an effort to facilitate the timely review and approval of In-Q-Tel information technology solutions as well as other Agency technology initiatives, the Executive Board directed the Agency's Chief Information Officer (CIO) to examine the efficiency of the Agency's information services approval boards' processes. The Executive Director approved the Acting CIO's plan to streamline information services governance on 9 February 2001.

In-Q-Tel will ultimately be judged on the impact that its information technology solutions have on Agency operations. In-Q-Tel is scheduled to pilot the use of its next two solutions with Agency customers by the end of March 2001. Although actions have been taken to promote the successful transfer of In-Q-Tel-developed solutions into the Agency, much remains to be learned about the factors that will contribute to or inhibit solution transfer. In his 24 January 2001 statement to the Agency workforce, the DCI said:

> In-Q-Tel has given us a window on innovation. And we have recognized the crucial mission-enabling role that information technology must play in any modern enterprise. The challenge we now face is to transfer the power of technical innovation to our day-to-day activities and to the very difficult intelligence problems that we face. . . . I need each and every one of you to charge your workplace with enthusiasm—to look for ways to innovate—to break down boundaries that get in the way of our creativity—and to scrap processes that get in the way of our success.

As additional In-Q-Tel-developed solutions are integrated into Agency business practices, QIC and In-Q-Tel personnel will identify factors affecting solution transfer that are outside of QIC's authority to control. We strongly believe that the long-term success of In-Q-Tel must be taken on as a corporate responsibility, and we believe that the Director of the QIC should regularly brief the Agency's Executive Director on the solution transfer aspects of the program. These briefings should include a discussion of the extent to which designated champions and drivers are effectively carrying out their responsibilities, the factors that have been barriers to solution transfer, and the Director of the QIC's recommendations to promote the integration of solutions into Agency business practices. Senior Agency management should be informed of the substance of the briefings and of actions needed to promote the solution transfer process.

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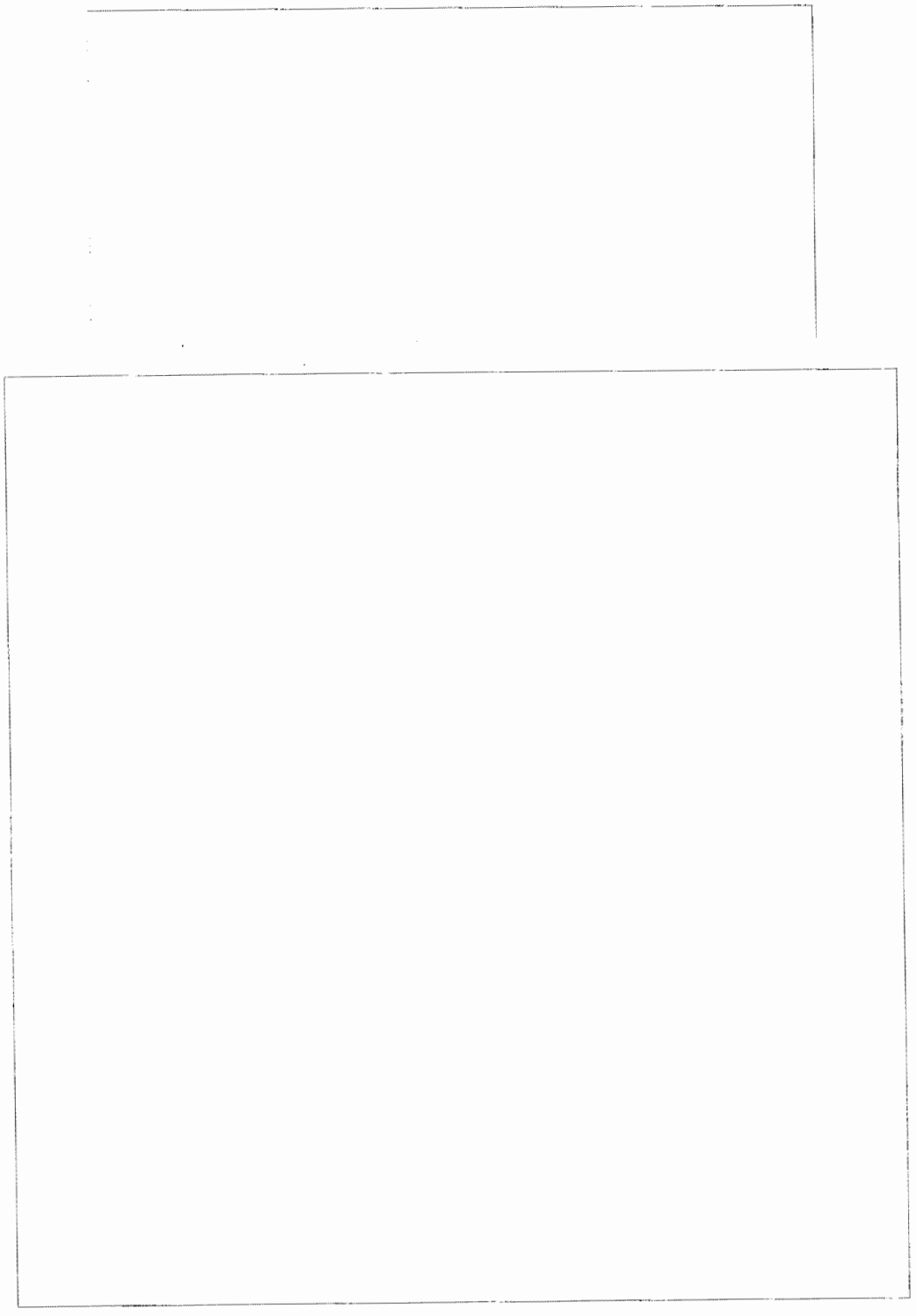

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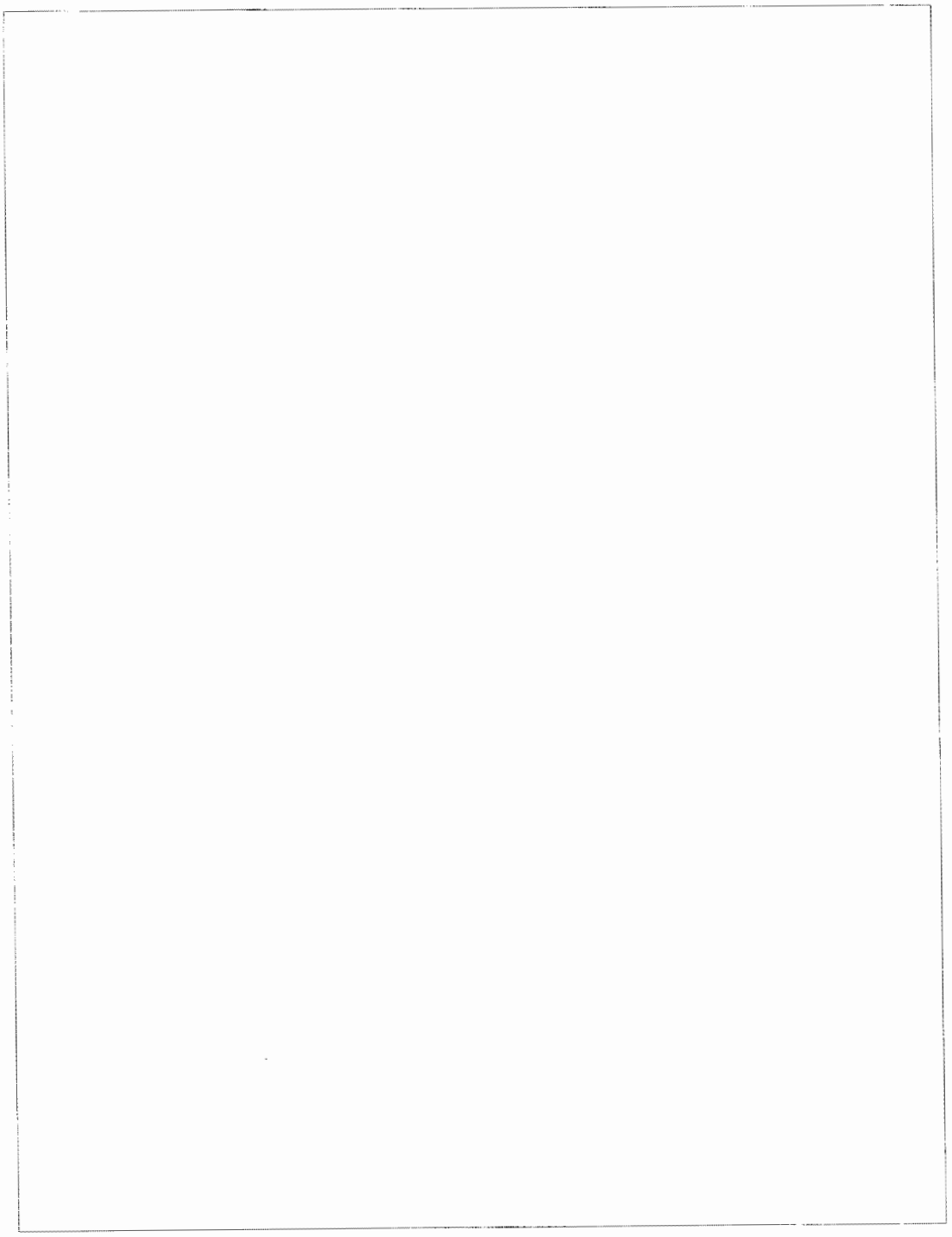

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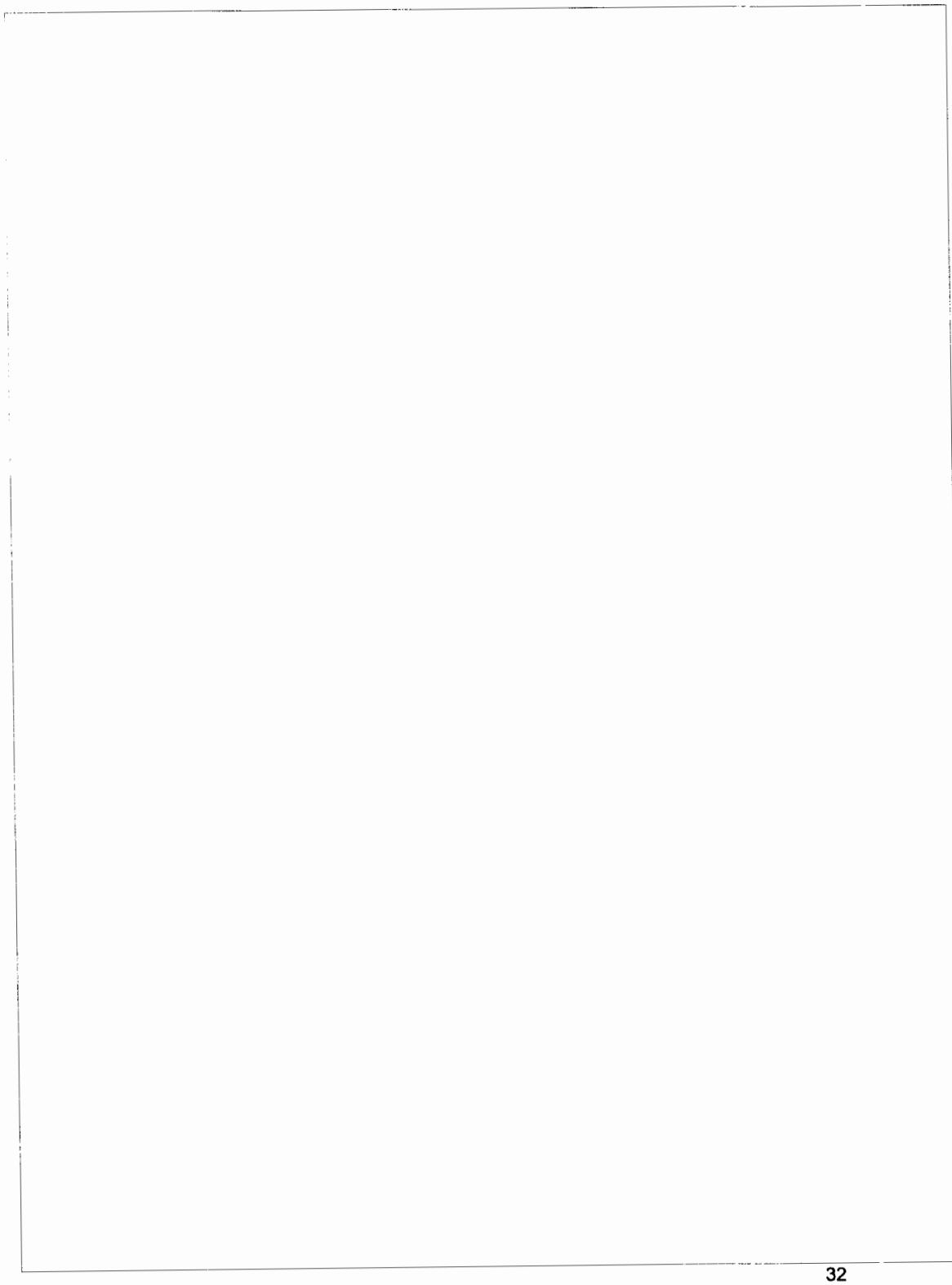

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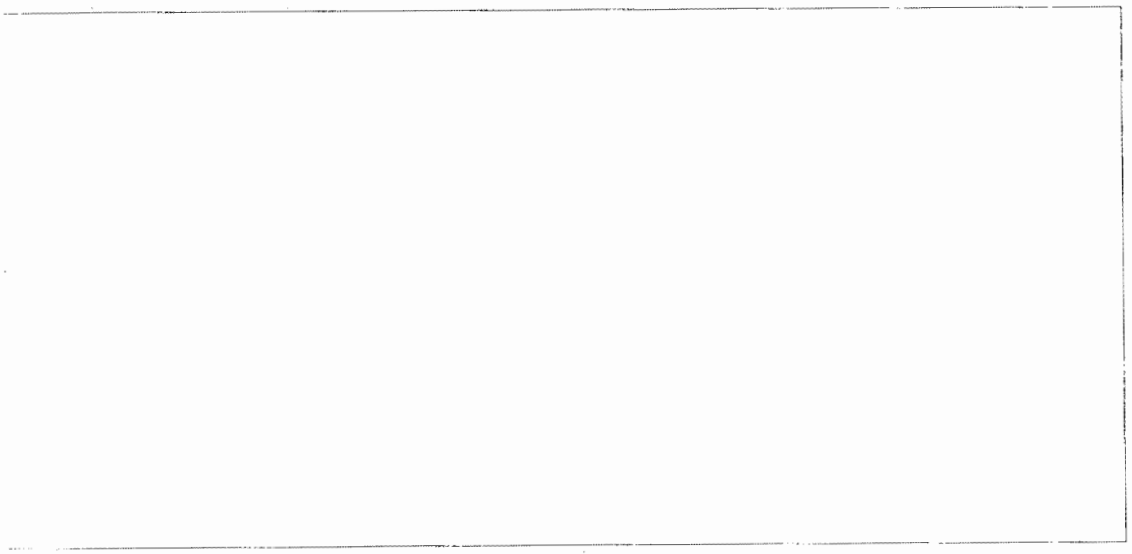

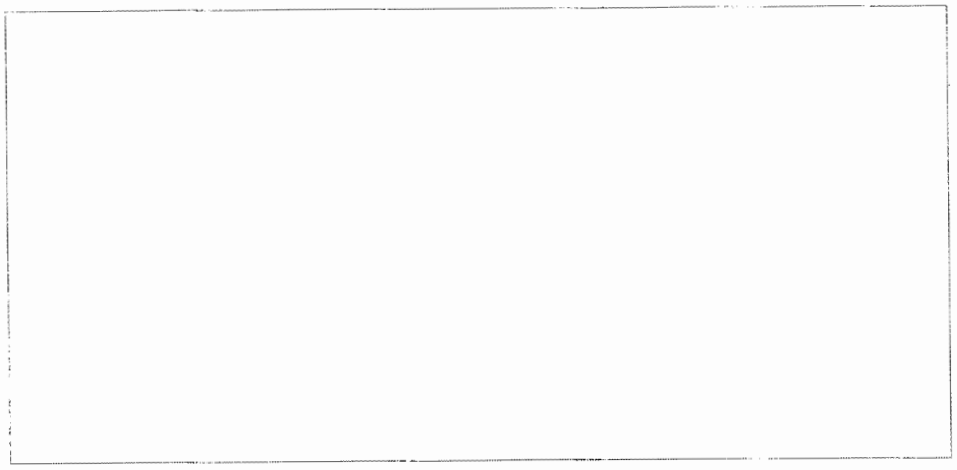

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Exhibit A

(U) IN-Q-TEL BOARD OF TRUSTEES

(U) The In-Q-Tel Board of Trustees includes individuals with backgrounds in industry, government, academia, and the venture capital arena.[1] As of December 2000, the Board included the following individuals:

Norman R. Augustine, former Chairman and CEO of Lockheed Martin Corp.

Lee A. Ault III, In-Q-Tel Chairman; former Chairman and CEO of Telecredit, Inc.

John Seely Brown, Chief Scientist of Xerox Corporation and Director of its Palo Alto Research Center.

Michael M. Crow, In-Q-Tel Vice Chairman; Executive Vice Provost of Columbia University.

Stephen Friedman, Senior Principal of Marsh & McLennan Capital, Inc.; Limited Partner and former Chairman of Goldman, Sachs & Co.; member of the President's Foreign Intelligence Advisory Board.

Paul G. Kaminski, President and Chief Executive Officer of Technovation, Inc.; Senior Partner in Global Technology Partners; former Under Secretary of Defense for Acquisition and Technology.

Jeong Kim, President of Carrier Networks, Data Networking Systems Group, Lucent Technologies Corporation; founder of Yurie Systems, Inc.

Alex J. Mandl, Chairman and CEO of Teligent.

John N. McMahon, consultant to Lockheed Martin Corporation; former Deputy Director of Central Intelligence.

William J. Perry, Professor at Stanford University and former Secretary of Defense.

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[1] (U) The information included in this exhibit was provided by the In-Q-Tel Interface Center (QIC).

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Exhibit B

(U) PROCUREMENT-RELATED STATUTES INCORPORATED INTO THE CHARTER AGREEMENT BETWEEN THE AGENCY AND IN-Q-TEL

(U//FOUO) The Charter Agreement between In-Q-Tel and the Agency includes the following statutory coverage:

- Anti-Kickback Act (41 U.S.C. §§51-58): FAR provisions were tailored for In-Q-Tel and incorporated by reference for subcontractors.
- Bayh-Dole Act (35 U.S.C. §200 et seq): FAR provisions were tailored for In-Q-Tel and subcontractors.
- Byrd Amendment [31 U.S.C. §1352(b)(2)]: FAR provisions were tailored for In-Q-Tel and incorporated by reference for subcontractors.
- Central Intelligence Agency Act of 1949, §13, *Unauthorized Use of Agency Name, Seal and Initial*(50 U.S.C. §403m): Provision incorporated into Charter Agreement and flowed down to subcontractors.
- Civil Rights Act of 1964, as amended: FAR US Government property provisions were tailored for In-Q-Tel and its subcontractors, but are subject to Civil Rights Legislation.
- Clean Air Act (42 U.S.C. §7401 et seq): FAR provisions were tailored for In-Q-Tel and waived for subcontractors.
- Clean Water Act (33 U.S.C. §1251 et seq): FAR provisions were tailored for In-Q-Tel and waived for subcontractors.
- Contract Disputes Act of 1978 (41 U.S.C. §§601-613): FAR provisions were tailored for In-Q-Tel and waived for subcontractors.
- Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq): FAR provisions were tailored for In-Q-Tel and inapplicable to subcontractors when commercial items are procured.

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- Export Laws: Included by reference.
- Export Administration Act of 1979 (50 U.S.C. §§2401-2420): Applicable to In-Q-Tel and flowed down to subcontractors.
- International Emergency Economic Powers Act (50 U.S.C. §§1701-1706): Applicable to In-Q-Tel and flowed down to subcontractors.
- Arms Export Control Act (22 U.S.C. §2778 et seq): Applicable to In-Q-Tel and flowed down to subcontractors.
- Federal Acquisition Streamlining Act, provisions on uniform debarment and suspension (P.L. 103-355): FAR provisions tailored for In-Q-Tel.
- Federal Property and Administrative Services Act, provision on covenant against contingent fees (41 U.S.C. §254a): FAR provisions were tailored for In-Q-Tel and waived for subcontractors.
- Office of Federal Procurement Policy Act, provisions on cancellation, rescission and recovery of funds for illegal or improper activity and price or fee adjustment for illegal or improper activity (41 U.S.C. §423): FAR provisions were tailored for In-Q-Tel and waived for subcontractors.
- Prompt Payment Act (31 U.S.C. §§3901-3906): FAR provisions were tailored for In-Q-Tel.
- Rehabilitation Act of 1973, as amended (29 U.S.C. §793): FAR provisions were tailored for In-Q-Tel and waived for subcontractors using authority contained in section 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. §403j).

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- Trade Secrets Act (18 U.S.C. §1905): Applicable to In-Q-Tel.
- Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended (38 U.S.C. §§4211-4212): FAR provisions were tailored for In-Q-Tel and waived for subcontractors using authority contained in section 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. §403j).

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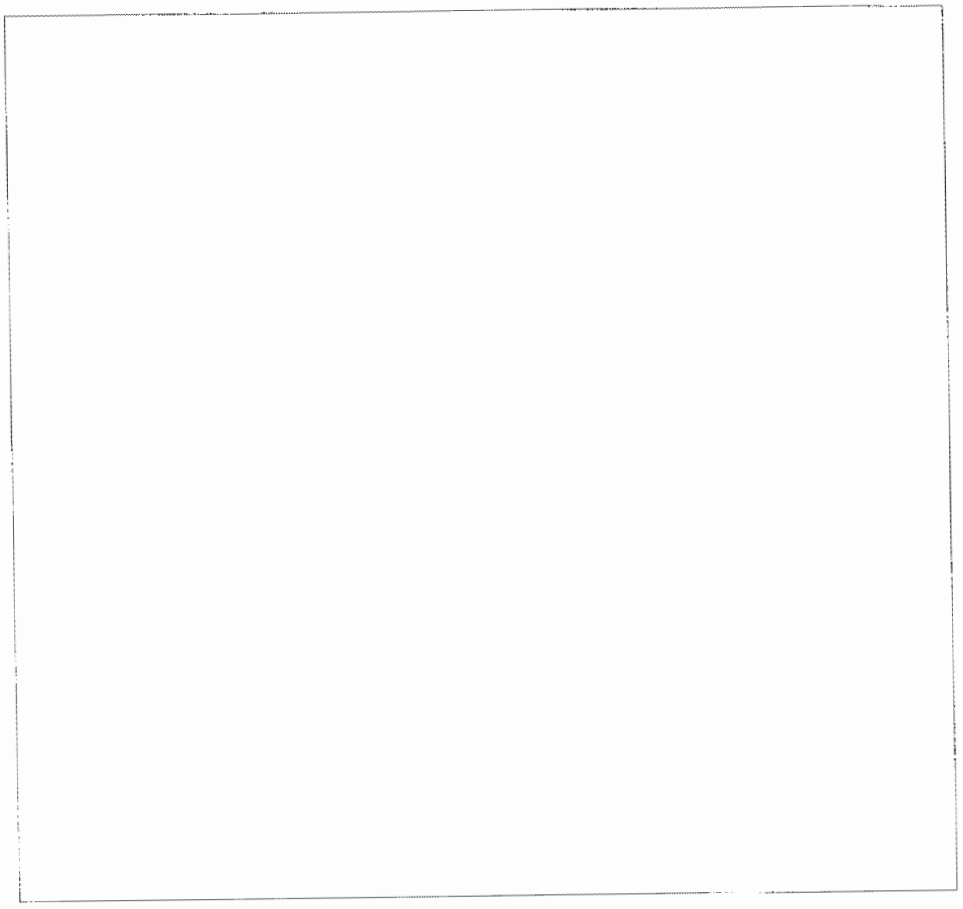
Exhibit C

(U) LIST OF RECOMMENDATIONS



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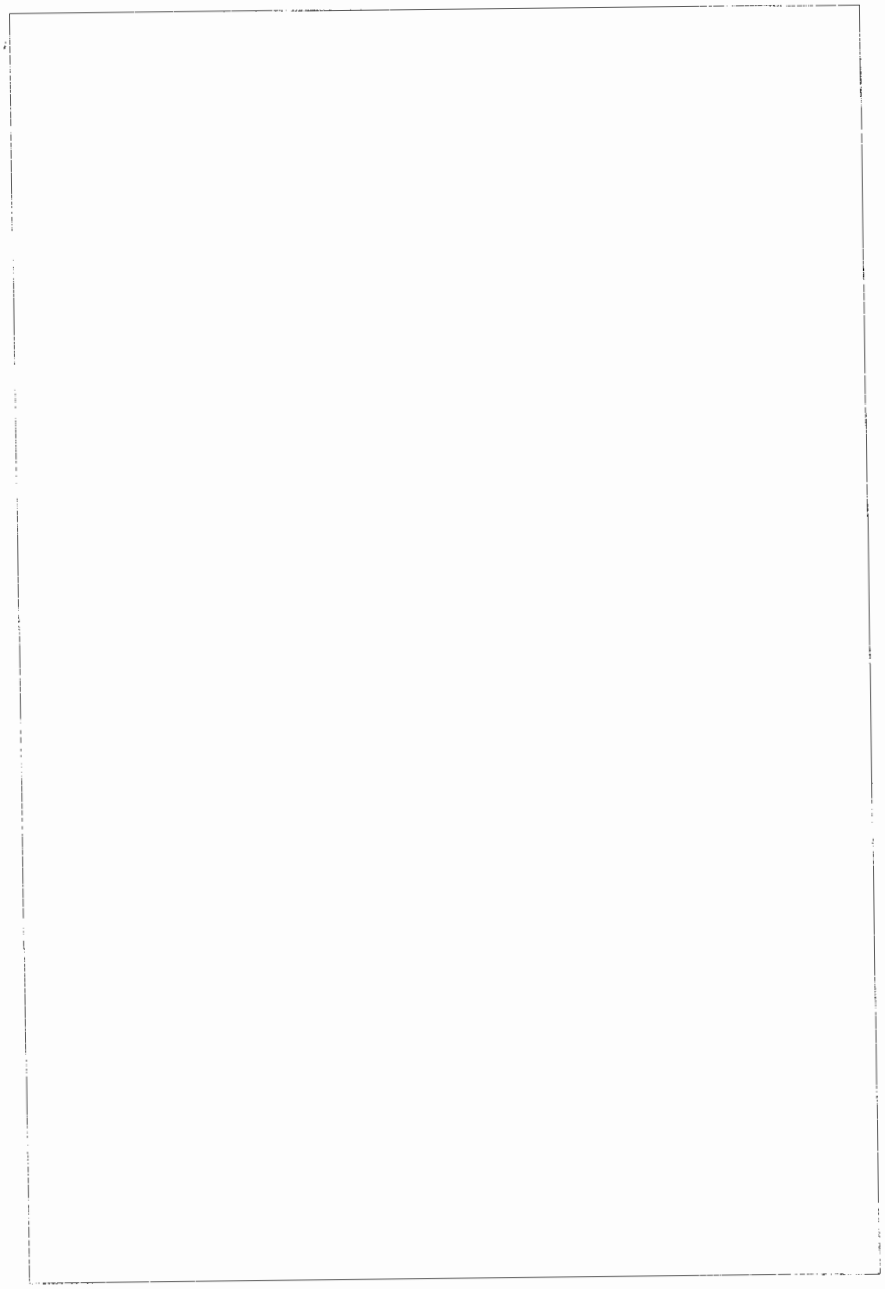

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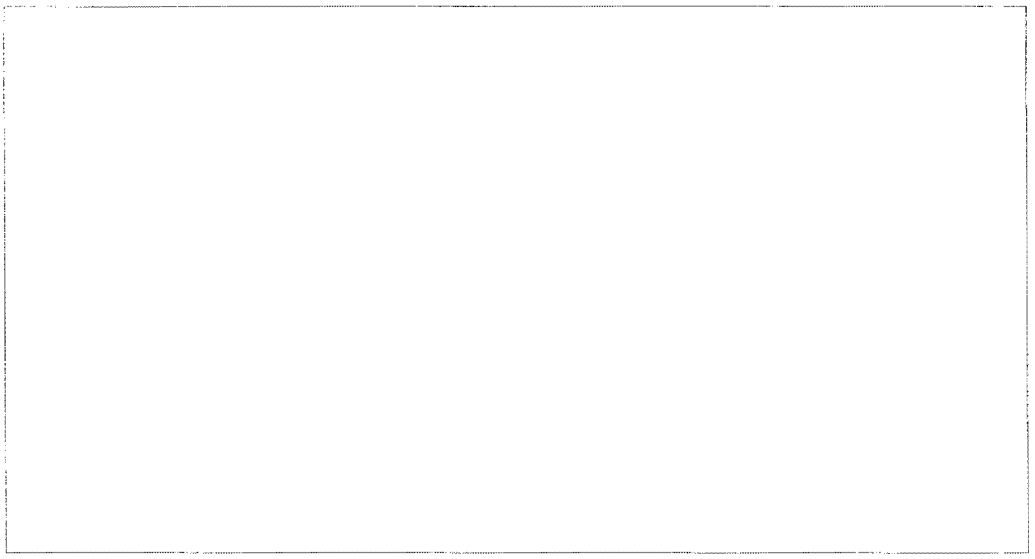

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Exhibit D

(U) AUDIT TEAM MEMBERS

(U//FOUO) This audit report was prepared by the Office of Inspector General, Audit Staff.

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CENTRAL INTELLIGENCE AGENCY

Office of Inspector General

Audit Staff

SPECIAL ASSESSMENT

Allegations Regarding the Handling of Information Concerning the Possible Exposure of United States Armed Forces to Chemical Weapons During the Persian Gulf War

22 JAN 1998

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SPECIAL ASSESSMENT

Allegations Regarding the Handling of Information Concerning the Possible Exposure of United States Armed Forces to Chemical Weapons During the Persian Gulf War

SUMMARY

In the fall of 1996, former Agency employees made allegations regarding the Agency's handling of information concerning the possible exposure of US armed forces to chemical weapons during the Persian Gulf War. The alleged: that the Agency hid evidence of the exposure of US forces to chemical weapons; that Agency officials sought to hinder the inquiry into this exposure; that Agency employees sought to avoid reviewing honestly evidence the presented on the issue; and that the careers were destroyed because of their insistence on pursuing their inquiry.

The allegation that the Agency hid information related to Gulf War illnesses was based on three specific concerns: that the Agency may not have released all relevant documents to the public; that Agency managers had directed the removal of documents from an Internet website on Gulf War illnesses run by the Department of Defense (DoD); and that the Agency had not provided with documents he had requested under the Freedom of Information Act (FOIA).

We found no evidence of improper withholding of Gulf War illnesses information from the public, but the Agency's search for relevant material and the review of that material for declassification and release have been less than optimal. Efforts to identify relevant documents and review them for release are ongoing. Senior Agency management needs to ensure that the resources and attention devoted to these efforts are commensurate with the commitments the Agency has made.

Senior Agency management was not trying to hide evidence related to Gulf War illnesses when it requested the removal of documents from the Internet. The impetus for that decision was concern regarding the disclosure of classified information contained in the documents.

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We found no irregularities in the handling of [redacted] FOIA request for documents related to his inquiry into the exposure of US armed forces to chemical weapons during the Persian Gulf War. But the Agency could have done a better job coordinating the FOIA process with other release efforts, keeping [redacted] informed, and following through on its promise of conditional expedited processing.

Agency officials ultimately did limit the [redacted] inquiry and excluded the [redacted] from the Agency's analytic review of the Gulf War illnesses issue because of concerns about the [redacted] conduct of their inquiry and their objectivity. Agency officials could have made a greater effort to keep the [redacted] informed of the process and progress of the Agency's analytic review, but they had no legal obligation to do so.

Agency analysts seriously considered available evidence related to Gulf War illnesses, including material presented by the [redacted] When analysts developed convincing evidence that was contrary to DoD's statements regarding chemical weapons exposure, Agency officials showed no reluctance to question DoD's position. Although the Agency was not aggressively inquisitive about troop logs and eyewitness accounts, analysts did not exclude this type of material from their review; it was used to supplement information available in the Agency's holdings. But by early 1996, when it was concluded that US troops may have been exposed to chemical agents as a result of demolition activities after the war at the Khamisiyah ammunition storage depot in Iraq, Agency managers should have made an effort to apply additional resources to the analytic review.

The evidence does not support the [redacted] allegation that the Agency destroyed their careers because of their insistence on pursuing an inquiry into Gulf War illnesses issues. [redacted] was given appropriate consideration for positions he sought in the Directorate of Intelligence. We found no evidence that security investigations were conducted to harass or retaliate against [redacted] We determined that [redacted] was appropriately considered for promotion. We found no evidence that the [redacted] Gulf War illnesses inquiry was ever a factor in promotion decisions regarding [redacted]

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BACKGROUND

DCI Request for Assessment

This report responds to a 31 October 1996 reques from former Director of Central Intelligence (DCI) John Deutch that we assess the accuracy of allegations by former Agency employees concerning the CIA's handling of information about the possible exposure of United States armed forces to chemical weapons during the Persian Gulf War. Specifically, the allegations were:

- That the Agency has hidden, and continues to hide, evidence of the exposure of United States armed forces to chemical weapons during the Persian Gulf War.
- That Agency officials sought to hinder the inquiry about the exposure of United States armed forces to chemical weapons during the Persian Gulf War.
- That Agency employees sought to avoid reviewing honestly the evidence the uncovered concerning the exposure of United States armed forces to chemical weapons during the Persian Gulf War.
- That the careers with the Agency were effectively destroyed because of their insistence on pursuing an inquiry about the exposure of United States armed forces to chemical weapons during the Persian Gulf War.

Clarify Their Allegations

During meetings with members of the assessment team in November and December 1996, amplified and clarified their allegations.[2] Regarding the hiding of information, stated his belief that the Agency had withheld information on the known or suspected locations of chemical weapons in the Kuwait Theater of Operations. He told us that he had not had access to all Agency files, but he

[2] Following our meetings with them, th were given an opportunity to review our interview notes and to provide additional comments or clarifications regarding their allegations.

believed that documents existed that were relevant and had not been released.

[redacted] further asserted that DCI John Deutch and Executive Director Nora Slatkin directed the removal of documents from the GulfLINK website[3] to hide evidence of the presence of chemical weapons in Kuwait. The documents were originally posted to the site by DIA as part of its effort to declassify DoD's intelligence records relevant to Gulf War illnesses. [redacted] contended that removal of the documents was illegal because, under Executive Order 12958, declassified documents cannot be reclassified.[4]

[redacted] emphasized that his main concern regarding the hiding of information was that the Agency had not provided him with documents that he had requested under the FOIA. [redacted] noted that he had made his request for these documents in October 1994, and he contended that the Agency was trying to hide the information they contained.

The [redacted] alleged that Agency managers hindered their inquiry into exposure of US armed forces to chemical weapons during the Gulf War and ultimately told [redacted] to stop his activities in this area. In addition, the [redacted] asserted that they both were excluded from the Agency's analytic review of information related to Gulf War illnesses. The [redacted] said that they received no information in return for the information they provided to the Agency for use in its review even though managers in the Office of Scientific and Weapons Research (OSWR) had promised to keep them informed of the progress of that review.

[redacted] alleged that, in conducting a review of Gulf War illnesses information, Agency officials were reluctant to confront DoD about its position that there was no evidence of chemical weapons use or exposure. [redacted] contended that because DoD was the Agency's primary customer, Agency analysts had no incentive to argue with DoD's conclusions. He also contended that the Agency refused to review troop

[3] GulfLINK is the official World-Wide Web Information Service administered by DoD's Office of the Special Assistant for Gulf War Illnesses in cooperation with the Defense Technical Information Center (DTIC). The purpose of the site is to provide declassified documents and other information related to Gulf War illnesses. CIA forwards relevant declassified documents to DTIC for release on GulfLINK.

[4] Executive Order 12958, *Classified National Security Information*, effective 14 October 1995, defines declassification as "the authorized change in the status of information from classified information to unclassified information." The order further states that "Information may not be reclassified after it has been declassified and released to the public under proper authority."

logs or interview veterans, thus excluding an important category of evidence from its review. In [redacted] view, Agency managers demonstrated a lack of commitment to getting answers for veterans by devoting insufficient resources to the review of Gulf War illnesses information.

[redacted] alleged that CIA managers retaliated against him for pursuing an inquiry into causes of Gulf War illnesses and, thereby, destroyed his career with the Agency. He maintained that the retaliation took two forms: he was denied positions within the Directorate of Intelligence (DI) for which he was well qualified, and he was subjected to illegal and inappropriate security procedures. [redacted] alleged that CIA managers retaliated against her by repeatedly denying her a promotion. She considered herself to be both eligible for and deserving of the promotion.

Assistance to Presidential Tasking

In the midst of our assessment, the President, on 26 February 1997, tasked the chairperson of the Presidential Advisory Committee on Gulf War Veterans' Illnesses to address two questions about the Iraqi ammunition storage depot at Khamisiyah:

- When was there sufficient evidence to conclude that chemical munitions were present at Khamisiyah and that US armed forces conducting demolition activities there may have been exposed to chemical warfare agents?
- Once there was sufficient evidence to conclude that chemical munitions were present at Khamisiyah and that US armed forces conducting demolition activities there may have been exposed to chemical warfare agents, what actions were taken to investigate and were those actions sufficient?

As a result of the President's direction to the Advisory Committee to take full account of evidence disclosed by our assessment, we specifically focused attention on the Agency's handling of information related to Khamisiyah in order to contribute to resolution of the President's questions. This report contains references to the Khamisiyah issue, but our conclusions regarding events related to Khamisiyah are contained in a separate assessment.

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SCOPE AND METHODOLOGY

Our assessment focused on the allegations as identified by the DCI and clarified by the . We did not attempt to determine the extent to which United States armed forces may have been exposed to chemical weapons during the Persian Gulf War. We did not evaluate the quality of the Agency's analysis regarding chemical weapons use or exposure during the war, but we did review the handling of information related to Khamisiyah to address the President's concerns regarding that storage site.

We interviewed former CIA analysts to obtain detailed information about their allegations. We also interviewed Acting Director of Central Intelligence (ADCI) George Tenet and Executive Director Nora Slatkin regarding their roles in the handling of information related to the Gulf War. We met with former DCI John Deutch and former ADCI William Studeman to discuss their actions related to the allegations. We interviewed members of the staff of the Presidential Advisory Committee on Gulf War Veterans' Illnesses and the National Security Council concerning their interactions with Agency officials on Gulf War illnesses issues.

The provided a list of recommended interview subjects, and we interviewed all eighteen individuals on that list. In total, we interviewed over 175 current and former Agency employees, including individuals involved in the declassification and release of information, intelligence analysts, component hiring managers, security and personnel officers, promotion panel members, and former supervisors of the

We reviewed Executive Order 12958, *Classified National Security Information*, and predecessor Executive Order 12356, the Freedom of Information Act, and other statutes, directives, and Agency regulations regarding declassification and release of information. We examined DoD and Agency guidance regarding the identification and release of relevant information to the public on GulfLINK. We studied Agency regulations and procedures in the areas of security, personnel assignments, performance appraisals, and promotion panels.

In response to our request for relevant information, Agency components provided over 6,000 documents, and we reviewed them all. In addition, we examined information provided by to Agency personnel concerning the possible exposure of United States armed forces to chemical

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weapons. We reviewed statements regarding Gulf War illnesses issues made by Agency officials to the Presidential Advisory Committee on Gulf War Veterans' Illnesses, Congressional committees, and the media.

We obtained access to the MORI (Management of Officially Released Information) system, which stores documents related to Gulf War illnesses that have been reviewed for release. From that system, we selected a random sample of CIA documents released to the public on GulfLINK to review decisions regarding release or redaction of information contained in the documents.[5] A second sample was selected from relevant documents that were not released to GulfLINK due to concerns about sources and methods. We sought to determine whether decisions not to release those documents were appropriate.[6]

In order to review the [redacted] allegation regarding damage to their careers, we studied statistics obtained from Human Resource Management on career progression. We also examined security and personnel files and documentation related to promotion panel proceedings. We analyzed information contained in those files and documents to evaluate decisions made regarding assignments and promotions.

Comments on a draft of this report were obtained from appropriate officials and from the [redacted] and were considered in the preparation of the final report. In their comments, the [redacted] raised a number of issues that were outside the scope of our assessment.

[5] As of 21 April 1997, 681 documents were released by CIA on GulfLINK. We selected a random sample of 90 of these documents for review.

[6] As of 21 April 1997, 2,635 documents determined to be relevant to the Gulf War illnesses issue were not released due to concerns regarding sources and methods. We eliminated 1,570 of those documents from our review because they were either originated by other agencies, Foreign Broadcast Information Service documents denied for copyright reasons (documents were not released, but a bibliography including citations was released), or duplicates. From the remaining 1,065 denied documents, we selected a random sample of 106 documents for review.

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DETAILED COMMENTS

Allegation: The Agency has hidden, and continues to hide, evidence of the exposure of United States armed forces to chemical weapons during the Persian Gulf War.

The Agency's efforts to identify, declassify, and release information relevant to Gulf War illnesses have been extensive, and we found no evidence of improper withholding of information from the public. But some potentially relevant documents may have remained undiscovered in the 1995 search, and not all potentially relevant documents that were surfaced in that search process were provided to the original task force charged with making determinations on relevancy, declassification, and release. The decisions made by that task force were not adequately documented, and we were unable to determine whether they were appropriate. Efforts to identify relevant documents and review them for release are ongoing. Senior Agency management needs to ensure that the resources and attention devoted to these efforts are commensurate with the commitments the Agency has made.

We found no indication that senior Agency management was trying to hide evidence related to Gulf War illnesses when it requested the removal of documents from the GulfLINK website. We found no irregularities in the handling of [redacted] FOIA request, but the Agency could have done a better job coordinating the FOIA process with other release efforts, keeping [redacted] informed, and following through on its promise of conditional expedited processing.

Agency Efforts to Locate and Release Information Relevant to Gulf War Illnesses Issues

In April 1995, then Deputy Secretary of Defense John Deutch requested that the DCI search for, identify, and review for declassification all intelligence records related to possible causes of Gulf War veterans' illnesses. An Agency focal point officer was designated, and, in May 1995, he initiated an Agency-wide search for relevant documents. Agency components provided approximately 45,000 potentially relevant documents in response to this tasking. We undertook a review of the Agency's efforts to locate, declassify, and release relevant documents in order to determine if

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those efforts were appropriately carried out. We also looked for evidence that Agency officials might be hiding pertinent information from the public. (A timeline showing the key events related to CIA Gulf War illnesses efforts is at Exhibit C.)

Locating Potentially Relevant Documents

In reviewing the methodology employed in 1995 to locate potentially relevant documents throughout the Agency, we found that established search criteria were not consistently followed by all components. Although it appears that a serious effort was made, we believe that the search was less than optimal and that not all potentially relevant documents were identified.

DIA established guidelines that were provided to Agency components for conducting searches for documents related to Gulf War illnesses. The guidelines defined relevant information as that which reported on the storage, deployment, or use of chemical, biological, or radiological weapons during the war. In addition, any reports concerning outbreaks among military forces or civilian populations during the war of disease, epidemics, or widespread illnesses that may have resulted from infection or environmental causes were considered to be relevant. DIA also developed a 17-page keyword list to be used for conducting electronic searches for relevant information. That keyword list was provided to Agency directorates for their use in performing searches of electronic databases.

To the extent possible, we reviewed the criteria used by Agency components to search major electronic databases. We sought to determine whether the Agency's search conformed to the keyword list provided by DIA.[7] We identified several discrepancies, including deviations from the keyword list and the inclusion of country limitations.

Components deviated from the keyword list in conducting their electronic searches by omitting or adding terms, changing combinations of words, or misspelling terms. Some responsible individuals, acting on the basis of what they knew about the information held by their components and the types of responses they would get to different terms, deliberately deviated from the keyword list in an effort to facilitate the search. Although these initiatives were well intended, the result is that the Agency cannot

[7] The primary databases searched electronically were large systems in the National Photographic Interpretation Center (NPIC), the DO, and the DI, and various Foreign Broadcast Information Service systems. Documentation of the specific criteria used for NPIC's system and three other small systems in the DI had not been retained, so we were unable to review those search efforts.

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demonstrate that a complete search was carried out in 1995.[8] Valid changes in the search terms should have been coordinated among CIA components to ensure a consistent search of keywords across the Agency.

Country names were used as search criteria in conjunction with the keywords to eliminate nonrelevant responses (such as information on chemical weapons in other parts of the world). The Directorate of Intelligence (DI) included 21 countries in its search, the Directorate of Operations (DO) included 16 countries, and the Directorate of Science and Technology limited its search to 14 countries. At least one significant document pertaining to the Khamisiyah ammunition storage depot was not identified during the initial search because it originated in a country that was not included in the search criteria. Although we understand the rationale for trying to eliminate nonrelevant responses, country limitations should have been carefully considered and consistently applied across the directorates.

We were unable to ascertain the extent to which office files[9] were searched for relevant documents during 1995, but these files do not appear to have been adequately reviewed. The adequacy of office file searches depends upon how thoroughly individuals review the files in their possession, and the results of office searches generally are not documented. In fact, we found inadequacies in the office file searches even when the results were documented. For example, in April 1996, the Near East Division reported to the DO's information review officer that no relevant documents were identified during its office file search. When that division was tasked in April 1997 to review its office files again, 88 documents were identified that were within the time frame of the initial search. We also noted that the document regarding Khamisiyah mentioned above was ultimately found in the files of several offices as a result of searches by analysts looking for information on Khamisiyah in 1996, indicating that those files were not adequately searched in 1995.

We also learned that in the Directorate of Administration and the DCI area only selected offices were tasked to review their files. Officials conducting the directorates' searches believed that the offices omitted from the tasking were unlikely to have relevant documents. This selective approach may have been logical, but it was not consistent with

[8] In at least one instance, the customization of the search criteria may have improved the quality of the search. In the DO, some potentially relevant documents apparently were identified that might not have been if the DIA keyword list had been strictly adhered to.

[9] Office files include hardcopy files and any files maintained on systems unique to an office.

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representations subsequently made about the search by senior Agency officials, who called it an "extensive review of all of the Agency's holdings."[10]

Difficulties in Locating Potentially Relevant Documents Are Not Unusual

The differences we noted in the way the directorates conducted their searches for Gulf War illnesses information are not unique to that search effort. CIA information is managed in a decentralized fashion, with each directorate controlling its own information. Directorate designees, in most cases information management officers (IMOs), are responsible for conducting searches for directorate information relevant to any declassification and release program, including special efforts such as the release of information related to Gulf War illnesses. In addition, each deputy director has appointed an information review officer (IRO) to exercise substantive judgments on the extent to which documents controlled by the directorate can be declassified and released.

The Agency's Focal Point Officer for Persian Gulf War Veterans' Illnesses worked with the directorates' IROs to develop search criteria and collect the results of the searches from designated IMOs. Although the focal point officer did not have authority over the IROs or the IMOs, the focal point officer should have reviewed the directorates' search methodologies to ensure completeness and consistency. The three individuals who served as focal point officer during 1995 and 1996 were not experienced in information management practices; they relied on the IMOs to carry out thorough searches of the directorates' information.[11]

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[10] In commenting on a draft of this report, the Director of Information Management stated that efficient management of resources dictates that the Agency search only those offices and systems that could reasonably be expected to contain the types of records that are the subject of the search. Limitations of this kind are efficient and acceptable for certain routine search efforts. Searches conducted under the FOIA and Privacy Act, for example, are subject to the provisions of those acts, which do not generally require the Agency to search all records. But the Agency should not represent special searches as encompassing all Agency records when some offices do not participate.

[11] Several Office of Inspector General reports have discussed problems with the Agency's information management and retrieval efforts. Our December 1996 special assessment report, *Information Declassification and Release Efforts*, recommended the consolidation of declassification and release programs under one manager. In October 1997, the Agency established an Office of Information Management. One of the functions of the new office will be to address the problems experienced with special search efforts such as the Gulf War illnesses search. A small, dedicated team is planned to provide expertise and direct support to focal point officers for future search efforts.

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Determining Relevancy

In the fall of 1995, the Agency established the Persian Gulf War Veterans' Illnesses Task Force in the DI to screen the documents provided by the components for relevancy and to review them for declassification and release. Approximately 12 individuals from various components participated in this effort between late 1995 and March 1996, when the task force increased to 20 individuals. The task force was formally disbanded in June 1996 after having provided 520 documents to DoD for release on GulfLINK. Appropriate steps were taken by task force members to ensure that the potentially relevant documents provided to them were properly reviewed for relevancy, but not all potentially relevant documents were obtained by the task force.

The Deputy Director for Intelligence (DDI) reported that, upon completion of electronic and office searches, Agency components provided approximately 45,000 potentially relevant documents to the task force. Members of the task force manually screened these documents and sorted them into three categories: applicable, generally applicable, and not applicable. Approximately 3,000 documents were found to be applicable, meaning that they were relevant to the Gulf War illnesses issue. The remaining 42,000 documents were considered to be generally applicable, addressing aspects of the war such as Iraqi military readiness or command structure, or not applicable.[12]

The task force developed criteria for determining the relevancy of documents. Such criteria must necessarily be general and will not provide clear guidance for making decisions about individual documents, but we were told that task force members frequently discussed relevancy questions and that they attempted to make consistent decisions. We found no indication that the task force concealed information from public disclosure by making improper decisions regarding the relevancy of the documents it reviewed.

But the task force did not have the opportunity to review all documents identified as potentially relevant by Agency components. Some offices used their own criteria to screen the documents located through their keyword searches for relevancy before turning them over to the task force. For example, the Office of Research and Development (ORD) identified

[12] The numbers of documents cited in this paragraph were reported by the DDI to the Executive Director on 12 June 1996. We attempted to verify these numbers but were unable to do so because the task force did not maintain documentation to support the numbers reported.

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685 potentially relevant documents through keyword and office searches; none of those documents were provided to the task force because ORD personnel concluded, based on a review of the titles, that the documents were not relevant to the Gulf War illnesses issue.[13] We believe that all determinations regarding relevancy for documents that met the search criteria should have been made by task force members.

In addition, keyword searches of three small DI systems resulted in lists of approximately 3,000 documents. Task force members reviewed the lists and omitted approximately 1,000 documents from their review based upon the titles indicated. We believe that all of these documents should have been obtained by the task force for full review.

Review of Documents for Declassification and Release

Once relevant documents were identified by the original task force, task force members reviewed them to determine whether the documents could be declassified and released to the public on the GulfLINK website. Broad declassification and release guidelines were established by Agency officials and approved by the Agency Release Panel.[14] Essentially the guidelines stated that as much information as possible should be released, consistent with the DCI's authority to protect sources and methods and other privileged information. Task force teams reviewed documents for declassification; decisions were then ratified by directorate IROs or their representatives.

We selected samples of documents that had been "denied in full" by the original task force, meaning that no part of the documents could be released, and documents from which selected information was redacted prior to release on GulfLINK, to review the appropriateness of decisions to withhold

[13] ORD performed an electronic search of archived documents, as well as a search of office files. The list of documents meeting the search criteria was reviewed for relevancy by ORD personnel familiar with the material, and no documents were deemed relevant to the Gulf War. We reviewed the list of documents identified and found that, because the search could not be limited to specific dates due to system limitations, at least 500 of the documents do not meet the time frame specified for the search for Gulf War illnesses documents. Based upon the titles alone, many of the approximately 185 documents meeting the search criteria do not appear to be relevant to Gulf War illnesses. We reviewed 33 documents that we believed, based upon their titles, might be relevant; none of them were.

[14] The Agency Release Panel advises senior managers on information release issues and makes final Agency decisions on appeals under FOIA, the Privacy Act, and the Executive Orders. The panel is composed of the Director of Information Management, the directorate IROs, chiefs of each of the declassification and release programs, and representatives of the Publications Review Board, Office of General Counsel, Office of Congressional Affairs, and the Public Affairs Staff.

information. Because documentation of declassification and redaction decisions was incomplete, we were unable to determine whether all such decisions were appropriate.

Decisions Regarding Withholding of Information Were Not Properly Documented

We reviewed a sample of 106 documents that had been denied in full and found that 66 of those documents were appropriately denied. The remaining 40 documents were denied because they contained information from imagery; we were unable to determine whether those decisions were appropriate.

Although imagery-derived information generally is not released by the Agency, steps were taken to release some information in order to be proactive in declassifying Gulf War illnesses documents. Task force members told us that the information in the denied documents could be found in other documents that had been released, particularly in imagery highlight cables that contained summaries of the information. But we found no records related to these denied documents providing references to precisely where the information they contained appeared in another document that had been released. As a result, we could not make judgments about the decisions to withhold these documents.

We reviewed 86 documents out of the 681 that had been released with some material redacted to determine whether the redacted material was appropriately withheld. We found inconsistencies in the handling of 24 of these documents. For example, we found names of weapons storage sites redacted in some documents and not others. Certain information redacted from several documents appeared to be relevant to the Gulf War illnesses issue, but these redactions did not significantly impair the utility of the released versions of the documents. Rationale behind redaction decisions were not indicated, so we were unable to determine why specific information had been withheld.

Ensuring consistency in declassification decisions is particularly difficult with only broad guidelines to follow and numerous individuals, most with little experience in declassification procedures, making decisions. Preservation of the rationale behind each decision would have been helpful to us in reviewing the decisions, as well as to other task force members conducting declassification reviews.

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Release Practices Result in Questions Concerning Certain Documents Not Released Until 1997

In February 1997, CIA released previously undisclosed documents regarding US troop demolitions of chemical weapons at the Khamisiyah ammunition storage depot. In addition, DoD officials stated in a press conference that CIA had other classified documents indicating that the Agency had warned the military of the presence of chemical weapons at Khamisiyah before troops conducted demolitions at that site; these documents were subsequently released by CIA in April 1997. The Presidential Advisory Committee expressed concern that it had not seen these documents and that the documents had not been released on GulfLINK despite previous statements by Agency officials that all relevant information had been identified, shared with the Advisory Committee, and released.

We were unable to determine whether the documents relating to Khamisiyah that were released in February and April 1997 had previously been provided to the Presidential Advisory Committee or its staff. Agency officials told us that all relevant documents had been made available to the committee, but Agency personnel did not maintain records of specific documents shown to or discussed with the committee staff.[15] We are aware that Agency personnel held numerous discussions with the committee staff regarding Khamisiyah, but we could not determine what details were discussed.

The Agency official primarily responsible for the declassification and release effort during 1996 told us that the five documents released in February and April 1997 had not been released earlier because they did not add any new information to the already publicized conclusion reached by Agency personnel that US troops may have been exposed to chemical agents at Khamisiyah and because there were sources and methods concerns about the documents' contents. It is true that the documents did not provide information about a new exposure incident or other possible cause of Gulf War illnesses, but the documents did provide new insight into when the Agency had certain information regarding the presence of chemical weapons

[15] One exception was a collection of 315 documents gathered by [redacted] and provided by the Agency to the staff of the Presidential Advisory Committee in October 1995. A list of those documents was prepared and maintained. The documents released in 1997 were not part of that collection.

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at the Khamisiyah site and the possible exposure of US forces to chemical agents there.[16]

Officers involved with Gulf War illnesses-related declassification decisions prior to March 1997 told us that they focused on the release of *information* rather than documents. They viewed their role as facilitating the release of information that added to the body of public knowledge, and they believed that once information was released in one document it did not have to be released again in another. They told us that this methodology aided in their efforts to protect intelligence sources and methods. Because these officers had sources and methods concerns about the five documents relating to Khamisiyah and did not believe that the documents added any new information to that which had already been made public, they did not press for the release of those documents in 1996.

But public statements made by senior Agency officials may have led outsiders to believe that the Agency had been engaged in a comprehensive effort to release all relevant documents, to the extent they could be declassified. During a 1 November 1996 press conference, for example, Executive Director Slatkin stated, "The CIA is committed to making all the information we possibly can known to the public." The strong reactions by the Presidential Advisory Committee and the media in February 1997, when it became evident that not all Agency documents related to Khamisiyah had previously been released, reflected an expectation that the Agency had committed to do more than release selected information that it believed might contribute something new to public knowledge about Gulf War illnesses.

[16] A number of individuals involved in the declassification and release effort, including the chief of the task force in 1996, had substantive analytical responsibilities related to Iraqi chemical weapons during and after the 1991 Persian Gulf War. Those individuals were assigned to work with the task force because of their expertise regarding the information being reviewed for declassification. As discussed later in this report, Agency managers were careful to ensure objectivity when they selected an individual to perform analysis of Gulf War illnesses information, but they did not guard as carefully against the potential for conflict of interest when they assigned individuals to review such information for release. Those task force members who had had substantive analytical responsibilities related to Iraqi chemical weapons could be perceived to be reluctant to release information that should have been surfaced before. Substantive experts must be involved in any declassification and release effort, as they are best able to judge the implications of a release on sources and methods, but individuals who could be perceived to have a potential conflict of interest because of prior personal involvement with an issue should not have final decision authority over such an effort.

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Efforts to Identify and Release Additional Relevant Documents Are Ongoing

In a public statement released on 26 February 1997, ADCI Tenet said "We will continue to provide the American public with as many declassified documents as possible. I intend to do everything in my power to ensure the maximum amount of information is released." The following day, the ADCI appointed a Special Assistant for Persian Gulf War Illnesses Issues and directed him to establish a new task force to provide intelligence support to US Government efforts on Gulf War illnesses issues. Responsibilities of this task force included:

- Managing ongoing declassification efforts.
- Monitoring the passage of related classified CIA documents to the DoD and others.
- Supporting ongoing modeling efforts.
- Providing analyses of relevant information.
- Acting as a focal point for Agency communication on Gulf War illnesses issues.

In carrying out its responsibility to manage ongoing declassification efforts, the task force directed Agency components to conduct new searches for potentially relevant documents employing broader search terms and time periods than previously used.[17] Components have identified more than 1.5 million documents as a result of the new electronic and office searches. But the task force does not plan to review each of these documents to determine which are relevant and process those documents for declassification and release.

One of the reasons the new task force broadened the search criteria was to create a larger net to capture documents for use by DoD in its case studies of Gulf War illnesses issues. All of the documents are being made available to DoD. Any documents that DoD wants to use in an unclassified study will be reviewed by CIA for release.

Another reason the task force broadened the search criteria was to assist in its own effort to identify additional documents pertinent to veterans' illnesses. Task force members told us that they are currently conducting analyses of biological, chemical, radiological, and environmental factors

[17] The task force did not intend to replicate the original search effort; components were told that they did not have to repeat keyword searches of time frames previously searched.

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that could help explain the illnesses and that these efforts will generate document search criteria. These criteria will be applied against the 1.5 million documents to identify those that contain information pertinent to illnesses issues.

The Special Assistant for Persian Gulf War Illnesses Issues advised us that pertinent documents identified through this process will be reviewed for release, and, as necessary, analytical papers will be prepared by the task force to place released documents into an understandable context. The Special Assistant indicates that the current task force operates under a policy of releasing pertinent information and documents without regard to whether such material adds something new to what is already publicly known. He maintains that as a result of the task force's efforts all documents held by the Agency relevant to the Gulf War illnesses issue ultimately will be identified and reviewed for possible release. Because these efforts are ongoing, we are unable to determine whether the current task force will, in fact, identify all relevant documents.

The current task force has made public documents related to the release of chemical warfare agents at Khamisiyah. The task force also has published studies on the demolition activities at Khamisiyah, the potential release of chemical warfare agents during the bombing of the Ukhaydir ammunition storage depot, and intelligence related to 17 sites the military suspected might have contained chemical or biological weapons during the war. In addition, the Special Assistant has testified before the Presidential Advisory Committee on Gulf War Veterans' Illnesses and interested Congressional committees on those studies and the results of modeling efforts. The task force expects this approach to maximize the release of information in a manner most useful to veterans and others interested in Gulf War illnesses issues. In the meantime, senior Agency managers need to review current efforts to ensure that they are consistent with the Agency's intent and commitment.

Particular care needs to be taken to maintain task force resources that are consonant with the DCI's commitment to "do everything in my power to ensure the maximum amount of information is released." By October 1997, the size of the task force had decreased from [redacted] members to [redacted] and it appeared that some of the remaining members might be sent back to their home components to continue their analysis and document review on a part-time basis.

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Removal and Subsequent Restoration of GulfLINK Documents

On 17 January 1996, a member of the Agency's Persian Gulf War Veterans' Illnesses Task Force performing a search of intelligence documents that had been released by DoD on the GulfLINK website beginning in July 1995 discovered some documents containing information that CIA considered to be classified. Members of the task force conducted limited searches and found other documents containing classified information, including information which had not been referred to the appropriate authorities for release authorization before being posted on the website by DoD.

The Agency's Focal Point Officer for Persian Gulf War Veterans' Illnesses formally notified the Agency Release Panel of the existence of classified information on the GulfLINK website on 25 January 1996. Panel members met to discuss the situation and recommended notification of senior Agency officials, the Office of General Counsel (OGC), DIA's Focal Point Officer for Gulf War Illnesses, and the Information Security Oversight Office of a possible unauthorized disclosure of classified information. On 7 February 1996, OGC filed a report of an unauthorized disclosure with the Department of Justice (DoJ).[18]

CIA and DIA managers met several times to discuss the documents released by DoD on GulfLINK and concluded that officials from the two agencies should jointly review the documents to determine what steps should be taken.[19] Public interest in the documents and concern among Agency employees about the disclosure of classified information caused then DDCI Tenet to request that DoD officials remove the documents from GulfLINK until the review could be accomplished. The documents were removed on 7 February 1996. The documents were reviewed, and over the next several months they were returned to GulfLINK, with the last group reposted in November 1996.

[18] This report was subsequently withdrawn on 14 February 1996 when OGC concluded that the matter should have been referred to DIA instead of DoJ in accordance with a 1995 agreement regarding such reporting.

[19] Actions by DIA leading to the release of documents on GulfLINK are outside the scope of this assessment. Certain details related to the release of information on GulfLINK remain classified and cannot be discussed in this unclassified report.

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Basis for Actions Taken Regarding GulfLINK Documents

CIA officials believed that documents had been released on GulfLINK without proper authority primarily because documents containing CIA information had never been referred to CIA for declassification review. Executive Order 12356 (predecessor to Executive Order 12958), in effect when the documents were first released on the GulfLINK website, states that when considering information for declassification agencies should "coordinate their review of classified information with other agencies that have a direct interest in the subject matter." The order further states that "classified information originating in one agency may not be disseminated outside any other agency to which it has been made available without the consent of the originating agency." Absent CIA review and consent, CIA officials believed DIA did not have authority to disseminate documents containing CIA-originated information.

The unauthorized release of information does not automatically affect the classification of that information. Both Executive Orders 12356 and 12958 explicitly state that classified information shall not be declassified automatically as a result of any unauthorized disclosure. Agency officials viewed the release of classified information on GulfLINK as an unauthorized disclosure, because they did not believe DIA had authorization to declassify information contained in the documents.

The evidence regarding these events strongly indicates that the DCI, DDCI, and Executive Director were not familiar with the information contained in the documents released on GulfLINK and sought their removal from the website after learning that Agency officers had serious concerns regarding classified information contained in the documents.[20] In November 1996, when it became apparent that documents that had not been returned to GulfLINK would be posted to the Internet by other parties and that distribution of the documents could no longer be limited, the DCI, with the concurrence of the DDCI and the Executive Director, formally approved the recommendation of the Deputy Director for Intelligence to restore those documents to the GulfLINK website.

[20] An interagency GulfLINK Damage Assessment Team, formed in July 1996 at the direction of the CIA's Executive Director to evaluate possible damage to sources and methods, concluded that the CIA information that had been released on GulfLINK without proper authorization compromised intelligence sources and methods.

The DCI has a statutory responsibility for the protection of intelligence sources and methods from unauthorized disclosure.[21] Agency officials believed that classified information had been released to the public without proper authorization, and they acted out of concern for the DCI's statutory responsibility by seeking the removal of the documents from GulfLINK. Actions of Agency officials throughout this episode were consistent with their professed motivation to protect intelligence sources and methods. We found no indication of any effort to hide evidence of the presence of chemical weapons in Kuwait, as alleged by [redacted] or to hide any other evidence related to Gulf War illnesses.[22]

Documents Requested by [redacted] Under FOIA

[redacted] submitted a request for 59 specific documents on 25 October 1994. The Agency's Information, Privacy, and Classification Review Division (IPCRD)[23] replied on 18 November 1994 advising [redacted] that the Agency had accepted his request, but that due to the high volume of requests received, the Agency could not meet the ten business day substantive response time required by the FOIA. All FOIA requesters are told that they may consider the Agency's inability to comply with the ten day response requirement to be a denial of their request and that they may appeal to the appropriate Agency board. Alternatively, they may permit the Agency to continue processing their request as quickly as possible. [redacted] chose to permit the Agency to continue processing his request.

[21] National Security Act of 1947, as amended, section 103(c)(5) (50 USC 403-3(c)(5)).

[22] [redacted] allegation that removing documents from the GulfLINK website and withholding them from further public release after that removal was "illegal" is beyond the scope of this special assessment because it does not bear directly on the central issue of whether the Agency was attempting to hide information. Furthermore, because the documents in question were reposted to the GulfLINK website, as authorized by the DCI, from a practical standpoint the question is moot. Nevertheless, based on case law under the Freedom of Information Act, it would appear that the ability of a federal agency to withhold from further release to the public classified or other documents that have been disclosed by federal officials, however mistakenly, is not unlimited. See Kimberlin v. Department of Justice, 921 F. Supp. 835 (D.D.C. 1996) (Sporkin, J.); Fitzgibbon v. CIA, 911 F.2d 755, 765-66 (D.C. Cir. 1990); Afshar v. Department of State, 702 F.2d 1125, 1129-31 (D.C. Cir. 1983).

[23] IPCRD, a division of the Office of Information Technology, processed requests for information releases under the FOIA, the Privacy Act, and the mandatory provisions of Executive Order 12958. Effective October 1997, IPCRD became the Public Information Review Division in the newly formed Office of Information Management.

Processing of FOIA Request

The Agency's FOIA review process is handled in a decentralized manner. The directorates controlling the information requested are responsible for locating relevant documents and making determinations regarding what information may be released. After IPCRD responded to [redacted] his request was distributed to the three relevant Agency directorates so that their information review officers (IROs) could locate the specific documents he had requested and make determinations regarding their release. [redacted] request went into each directorate's queue to be handled on a first-in, first-out basis.

On 2 February 1995, [redacted] cited health and humanitarian concerns in a request for expedited processing of the documents. On 13 February 1995, IPCRD denied the request, stating that expedited processing is granted only in rare cases with demonstrated exceptional urgency and/or extraordinary need.[24] [redacted] unsuccessfully appealed this decision to the Agency Release Panel. Because the Agency was beginning to review documents related to Gulf War illnesses for declassification at this time in response to a request from then Deputy Secretary of Defense Deutch, [redacted] was advised in May 1995 that his request for expedited processing was conditionally granted, i.e., if any of the specific documents he had requested were declassified by the Agency in the context of the Gulf War document review, they would be made available to him.

In June and July 1996, the Agency released to GulfLINK redacted versions of five of the 59 documents requested by [redacted] as part of the Agency's general search and review effort. The remaining 54 documents that [redacted] had requested were not released due to sources and methods concerns. In November 1996, Executive Director Slatkin directed individuals who had been members of the declassification task force to review the documents requested by [redacted] using more lenient standards than FOIA criteria or the standards that had been used by the task force, and in November and December 1996 these 54 documents were released to GulfLINK with some classified material redacted.

Ultimately, [redacted] received information from the documents faster than he would have without the publicity surrounding the Gulf War

[24] The denial of [redacted] request for expedited processing does not appear to be unusual. IPCRD does not maintain statistics on such requests, but IPCRD managers told us that approximately six requests for expedited processing have been approved in the last 20 years.

illnesses issue, but the Agency did not perform as well as it could have in handling his FOIA request. The conditional expedited processing promised to [redacted] was not carried out. Prior to November 1996, the IROs continued to handle [redacted] request through normal channels, and the document screening task force was not asked to report their actions on the particular documents he had requested. The task force forwarded all documents it determined to be releasable to IPCRD for a quality assurance review and final release to DoD for posting on GulfLINK, but IPCRD took no action to determine if any of the documents requested by [redacted] were among those to be released or to determine what actions had been taken by the task force regarding the 59 documents. In November 1996, IPCRD officials were aware that the documents had been released on GulfLINK, but they did not correspond with [redacted] to provide him with the documents he had requested or advise him that they could be found on GulfLINK.

In December 1996, [redacted] attorney told IPCRD that all 59 documents could not be located on GulfLINK and noted that the Agency had never provided [redacted] with actual copies of any of the documents. IPCRD responded in January 1997 with a list of GulfLINK index numbers to assist [redacted] in locating the documents and stated that it would be "quicker and less costly" for him to obtain the documents from GulfLINK than for IPCRD to forward copies.

In commenting on a draft of this report, the Information and Privacy Coordinator of IPCRD stated that it would have been desirable if IPCRD had written [redacted] in November 1996 and informed him that electronic versions of the documents were on GulfLINK and that FOIA versions would be forthcoming soon,[25] but resources were stretched thin and IPCRD's efforts were directed to ensuring that approved FOIA versions were produced for [redacted] and that attention was given to other FOIA requests. While we are sympathetic to the resource concerns expressed, we note that IPCRD's January 1997 letter to [redacted] attorney did not mention that FOIA versions of the documents would be forthcoming, and FOIA versions were not provided to [redacted] until December 1997.

[25] The FOIA has strict requirements including format preservation and annotation of all redactions with exemption codes. The documents released by the task force and posted to GulfLINK do not meet these requirements, as redacted areas have been compressed and redactions generally are not annotated with exemption codes.

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There is no indication that the Agency was attempting to hide documents from [redacted] or to delay the response to his request,[26] but the request could have been handled more effectively. IPCRD should have taken steps to learn what actions the task force had taken regarding the documents requested by [redacted] Once IPCRD did become aware that documents had been released on the GulfLINK website, hard copies of those documents should have been provided to him.

Information Received by [redacted] in Response to FOIA Request

[redacted] ultimately received more of the information contained in the documents he requested than he would have obtained under normal FOIA criteria. Agency managers chose to make discretionary releases of information due to the publicity surrounding his allegations, as well as to the desire of Agency management to be more proactive in the release of information related to Gulf War illnesses.

The 59 documents requested by [redacted] were examined initially by the IROs of the three concerned directorates using standard FOIA review criteria. The directorates' responses to IPCRD indicated that two documents could be released with some information redacted, one was still being reviewed, and 56 could not be released in whole or part due to concerns regarding sources and methods.

In view of then DCI Deutch's commitment to openness and the public interest in documents related to Gulf War illnesses issues, however, the documents [redacted] had requested under the FOIA were reviewed using different criteria with different results, i.e., more information was released than would have been the case under FOIA criteria. As indicated above, redacted versions of all 59 documents were ultimately released on the GulfLINK site. [redacted] appealed the continued classification of some material in the documents, and, in December 1997, the Agency Release Panel affirmed the determination of the responsible IROs that the material must remain classified.

[26] The time required to process [redacted] FOIA request was not unusual. The Agency receives over 6,000 requests for information under the FOIA, Privacy Act, and Executive Order 12958 each year, and IPCRD reported a backlog of approximately 5,000 cases in December 1996. Out of those 5,000 cases, 1,700 (34 percent) originated prior to 1995, with nine cases dating back to 1989. The time required to process a request varies depending upon the number of documents requested, the complexity of the documents, and the number of offices that must review the documents.

Allegation: Agency officials sought to hinder the [redacted] inquiry about the exposure of United States armed forces to chemical weapons during the Persian Gulf War.

Agency officials ultimately did limit [redacted] inquiry, because he made what appeared to be an official request to another organization for information that he wanted for his inquiry, and his managers became concerned about what other actions he might take. The [redacted] were excluded from the Agency's analytic review of Gulf War illnesses information because OSWR managers did not believe that the [redacted] could be objective about the subject. Agency officials could have made a greater effort to keep the [redacted] informed of the process and progress of the Agency's analytic review, but they had no legal obligation to do so.

Conduct of [redacted] Inquiry

In May 1994, [redacted] began a rotational assignment with the Office of Scientific and Weapons Research in the Directorate of Intelligence.[27] In late June 1994, he informed his supervisor in OSWR of his interest in [redacted] the connection between chemical and biological weapons and the illnesses reported by Gulf War veterans, and he noted that he was performing research into related intelligence information.

In July 1994, [redacted] supervisor sought advice from the DI's legal counsel about how to handle [redacted] interest in the Gulf War illnesses issue, because the issue was outside the scope of [redacted] official duties. Based on the advice he received from the counsel, the supervisor told [redacted] to put together the information he had and prepare to make his case to appropriate Agency officials.

On 21 July 1994, [redacted] gave his supervisor a one-page report on his research, along with copies of a [redacted] report that [redacted] believed constituted evidence that the Iraqis had used chemical weapons during the war. [redacted] contends that his supervisor was not concerned about the implications of this material, but that he was concerned instead about whether [redacted] interest in the

[27] In late 1995, OSWR was renamed the Office of Weapons, Technology, and Proliferation. In 1997, it merged with another office to become the Office of Transnational Issues.

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issue and the time he was devoting to researching it were interfering with his work for OSWR.

told us that when he presented his evidence to his supervisor in July 1994, he asked the supervisor to pass it along to others in OSWR. and his supervisor apparently had different expectations about what would happen next. believed that the supervisor was going to pass the material to others in OSWR and that someone would get back to to discuss it. The supervisor believed that was going to report back with more information at a later date. As a result, the two did not discuss the issue again for several months.

Between July 1994 and February 1995, was able to conduct his inquiry using Agency systems and information outside of normal business hours. supervisor in OSWR told us that although he did not authorize to search Agency records to conduct his research, he did not specifically instruct to stop.[28] The extent to which searched Agency databases for information cannot be determined, but as of October 1995 he had collected at least 315 documents from the databases. Most of these documents came from one DI system, to which he had unrestricted access.

Limitation of Inquiry

In February 1995, sent a message to the Deputy DCI Representative at the US Central Command (CENTCOM), asking for portions of the Nuclear, Biological, and Chemical log maintained by CENTCOM during the Persian Gulf War. He indicated that he wanted "our analysts to have the best possible information," and he did not mention his personal interest in the logs. One of his duties in OSWR was to perform but the subject matter of this request was outside of his area of responsibility.

As a result of this request to CENTCOM, was instructed in early March 1995 to cease any active collection efforts. We were unable to determine specifically what limits this instruction placed on inquiry. Some officials interviewed recalled that "active

[28] In fact, a number of individuals interviewed during our assessment expressed concern that had been allowed too much access to information that was not related to his job. Some believed that supervisors had exercised poor judgment in allowing him to conduct his inquiry using classified documents and systems.

collection efforts" referred to collection of information from outside the Agency during work hours; others believed that [redacted] was instructed to cease all activities using government resources, including research using Agency databases. [redacted] himself commented, in a note to another Agency employee, that he had been told to "cease all collection activities" and that, as a result, any information he had collected since March 1995 had been collected on his own time, from sources outside of the Intelligence Community. This implies that [redacted] believed he had been instructed to cease all activities using government resources.

[redacted] was using Agency resources to pursue a line of research beyond his assigned duties, with the acquiescence of his managers. But when he sent a request that appeared to be official to an outside organization, seeking documents that he wanted for his personal effort, [redacted] managers became concerned about what additional actions he might take to further his inquiry. The decision to instruct him to cease collection activities resulted from those concerns.

Opportunities to Present Results of Inquiry

[redacted] was provided with numerous opportunities to present the results of his inquiry. Despite the fact that OSWR officials who heard his briefings did not find his analytical conclusions on Iraqi use of chemical weapons and chemical fallout from Coalition bombing convincing, they arranged for him to present the information to other offices and outside organizations.

OSWR managers focused attention on [redacted] research in December 1994, [redacted] At that time, [redacted] managers listened to the briefing he had prepared, provided him with guidance on how to better organize the material, and arranged for him to brief others within OSWR.

During January and February 1995, [redacted] briefed his immediate supervisors, the Director, OSWR, and the National Intelligence Officer for General Purpose Forces on his research and findings. He also

[redacted] stated his belief that US forces were exposed to Iraqi chemical and possibly biological warfare agents during the Persian Gulf War, either through fallout from Coalition bombing or attacks by the Iraqis. He also stated that officials from DoD and the Department of Veterans Affairs were covering up the effects of this exposure.

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presented his briefing to personnel from OSWR's Nuclear, Biological, and Chemical Division, and later he briefed those same individuals along with a manager from the National Photographic Interpretation Center (NPIC)[30] and a branch chief from the Office of Near Eastern and South Asian Analysis. In March 1995, he briefed the Director, Nonproliferation Center.

In October 1995, [redacted] arranged to brief two members of the staff of the Presidential Advisory Committee on Gulf War Veterans' Illnesses. The Agency Focal Point Officer for Persian Gulf War Veterans' Illnesses insisted on attending the briefing, because it was to take place in an Agency conference room and official Agency material would be discussed. [redacted] perceived this insistence as an attempt to limit the discussion and intimidate him, but he did brief the two staffers, and the documentary material collected by [redacted] was subsequently made available to them.[31] We believe that the Agency official's attendance at this briefing was appropriate, given that the briefing was held in an Agency facility, official Agency material was discussed, and the subject matter dealt with the focal point officer's duties.[32]

In November 1995, DoD's Persian Gulf War Veterans' Illnesses Investigation Team asked for [redacted] to brief them on his conclusions. The focal point officer asked [redacted] if he would share his information with DoD, but he refused. He argued that DoD already had his information and that it would have been inappropriate for him to state his position to DoD's investigation team, because DoD was the subject of the Presidential Advisory Committee's inquiry.[33]

Involvement of [redacted]

[redacted] believes that she was hindered by Agency officials in her attempts to participate in the Gulf War illnesses inquiry conducted by

[30] NPIC became part of the National Imagery and Mapping Agency in October 1996.

[31] In commenting on a draft of this report, the [redacted] stated that the DI's legal counsel demanded to be present at many of their briefings, including the briefing to the staff members of the Presidential Advisory Committee, and that they viewed the involvement of a representative of the Office of General Counsel as an attempt at intimidation. The counsel told us that he attended meetings at the behest of OSWR managers in order to advise them regarding this unusual situation and that his involvement was not intended to intimidate the [redacted]

[32] [redacted] accompanied the two staff members to lunch on the day of the briefing. The focal point officer did not join the group. The [redacted] had at least a brief opportunity for private discussion with the staff members during the lunch break.

[33] [redacted] assigned to OSWR had provided copies of [redacted] briefing charts to DoD officials.

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We do not believe that Agency managers hindered participation. In fact, the evidence indicates that they tried to accommodate her interest in her husband's inquiry. was working as an imagery analyst at NPIC during the time was performing his inquiry. supervisors permitted her to take time away from her job to attend several of the briefings given by

claims that she was denied access to an electronic database in an attempt to limit her access to information. The database's system is funded and controlled by the DI; only a limited number of NPIC analysts had access to it because of system constraints. supervisor told us that he had provided access to someone from each of the teams in his branch. He was unaware that felt that she had been intentionally excluded. He told us that once she raised the issue with him, he obtained access to the system for her.

Exclusion from the Agency's Analytic Effort

In March 1995, the Agency initiated a review of its information regarding Iraqi use of chemical weapons during the Persian Gulf War, primarily as a result of the material presented by (The review is discussed in more detail beginning on page 34.) claim that they were excluded from that review, despite the fact that they had considerable knowledge on the subject and had already collected pertinent information.

The Objectivity

The assertion that they were excluded from the Agency's analytic review is correct. Managers in OSWR wanted someone who had not been previously involved with analysis regarding Iraqi use of chemical weapons to perform a review of the information. The lead analyst selected for the review was known to be a thorough researcher, had some knowledge of Iraqi chemical weapons, but had not been involved in that area during the

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Persian Gulf War. OSWR managers believed that he would be objective and willing to question previous analysis.[34]

Agency officials did not believe that the [redacted] could be objective about the subject. They told us that during discussions after [redacted] briefings he was not willing to consider alternative ideas related to the material he presented. OSWR managers thought that [redacted] was so immersed in his analytical conclusions that he could not see other points of view. Given that the review was intended to be a fresh look at the Agency's information, the selection of a lead analyst with no preconceived notions about chemical weapons use or exposure during the Persian Gulf War was appropriate. In contrast, the [redacted] were known to have a strongly held position on the issue.

The [redacted] Were Not Kept Informed About the Status of the Review

The [redacted] assert that they received no information in return for the information they provided to the Agency for use in its review. They also believe that OSWR managers had promised to keep them informed of the progress of that review.

The evidence indicates that the [redacted] were not kept informed about the status of the Agency's efforts regarding Gulf War illness. The [redacted] were briefed on the initiation of the analytic review in April 1995 and on the Agency's search for relevant documents to be reviewed for declassification and release in May and October 1995. We did not find evidence of any other meetings to inform them about the progress of the Agency's efforts.

We were unable to determine what, if anything, was promised to the [redacted] regarding keeping them informed about the Agency's review. We believe that OSWR managers did intend to provide some updates to the

[34] In commenting on a draft of this report, the [redacted] contended that several OSWR managers had a clear analytical conflict of interest because they were involved in preparing and/or approving post-Gulf War analyses that found no evidence of chemical incidents. The [redacted] further asserted that the selection of an allegedly unbiased analyst was meaningless because it is managers who decide what will or will not be published. We agree that there were individuals in the OSWR management chain who participated in previous analyses related to the Gulf War, but we found no evidence that any of these individuals interfered with the analysis of Agency information related to Gulf War illnesses that began in 1995. In fact, these managers approved the publication of the Agency's analysis regarding the possible exposure of US troops to chemical agents at Khamisiyah.

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as evidenced by the three meetings discussed above, but we could not ascertain why additional meetings were not held.

Although OSWR managers had no legal obligation to do so, they could have kept the informed and could have engaged in discussions with them concerning the information found in the Agency's holdings. The might have developed a better appreciation for the efforts the Agency was undertaking had they been better informed of the progress of the analytic effort.

Allegation: Agency employees sought to avoid reviewing honestly the evidence the uncovered concerning the exposure of United States armed forces to chemical weapons during the Persian Gulf War.

We found that Agency analysts did seriously consider available evidence related to Gulf War illnesses. When analysts developed convincing evidence that was contrary to DoD's statements regarding chemical weapons exposure, Agency managers showed no reluctance to question DoD's position. Although the Agency was not aggressively inquisitive about troop logs and eyewitness accounts, analysts did not exclude this type of material from their review; it was used to supplement information available in the Agency's holdings.

But Agency managers should have made an effort to apply additional resources to the analytic effort to complete the review on a timely basis. Agency analysts have carefully considered material presented by the and have performed a systematic review of relevant Agency holdings, but after nearly three years of effort they are still working to complete their evaluation.

Review of the Evidence

The allege that the Agency refused to consider their evidence. We found that the material presented by the to analysts from OSWR and other components was seriously reviewed and did, at a minimum, cause the Agency to launch a review of that material and all intelligence holdings.

The briefings presented by the in February 1995 covered both classified and unclassified material. provided copies of

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the briefing charts and 32 unclassified documents to OSWR officials, including reports by the troop logs, letters, and other material. The briefings focused on five areas:

- Iraq's chemical weapons capabilities.
- Iraq's intent regarding the use of chemical weapons during the Persian Gulf War.
- Possible Iraqi use of chemical weapons during the war.
- Reports of chemical weapons detections and injuries incurred by US forces.
- An alleged DoD coverup of evidence of Iraq's use of chemical weapons.

We interviewed the lead analyst responsible for the Agency's analytical effort and other analysts who assisted with specific taskings, and we reviewed the steps taken in the review. All material presented by the in February 1995 was carefully considered by the analysts. In addition to the primary analyst's efforts, other divisions and offices in the DI were tasked to review their information related to specific information cited in briefing charts. One study reexamined indicators of Iraqi intent to use chemical or biological weapons and indications of forward deployment of such weapons. Other studies tried to correlate historical information on missile launches with troop testimony about specific events and examined the possibility that Iraqi combat aircraft had launched chemical weapons. NPIC analysts reviewed imagery reporting pertinent to the locations of chemical weapons during the war, paying particular attention to the sites identified by in his briefing charts.[35]

When briefed staff of the Presidential Advisory Committee on Gulf War Veterans' Illnesses in October 1995, he used the same briefing charts, with slight modifications, and covered the same five areas as in his February 1995 briefings to CIA officials. His supporting material in October 1995 was composed of 315 documents, including 237 classified at the Secret level and below and 78 classified Top Secret.[36]

[35] The results of these studies were provided to the lead analyst for use in his review of the Agency's intelligence holdings related to Gulf War illnesses but were not officially published.

[36] Special arrangements were made to provide the documents classified up to Secret to the Presidential Advisory Committee. Committee staff members were told that the Top Secret documents were available for them to review if they so desired.

Only 88 of the 315 documents (28 percent) were CIA-originated; the others were from various elements of DoD.

In a letter to ADCI George Tenet, dated 13 January 1997, the attorney discussed "300 documents that determined were credible and which were presented to CIA officials during his internal briefings delivered in early 1995." Agency officials told us that they were unaware that had collected 315 documents until October 1995 when he made them available to the Presidential Advisory Committee's staff following his briefing to them.

We could not determine exactly when gave the 315 documents to Agency officials. The evidence indicates that Agency officials were surprised by the number of documents wanted to turn over to the Presidential Advisory Committee; they were expecting a much smaller number based upon the material they had seen earlier that year. The only collection of these documents we found was the one given to the Agency's Focal Point Officer for Persian Gulf War Veterans' Illnesses after briefing to the staff of the Presidential Advisory Committee in October 1995, but we cannot confirm that this was the only set of these documents provided to the Agency by

By October 1995, Agency analysts had conducted their own searches for information related to the review. 315 documents became part of the body of material still to be reviewed. We determined that material relating to Iraqi use of chemical weapons, the primary area of disagreement between the and the Agency, was reviewed and considered by the analysts. We could not confirm that every document provided by the was reviewed by Agency analysts, but we reviewed the 315 documents and determined that the information presented—apart from that related to the alleged DoD coverup—was considered in the Agency's review. This conclusion is based on the fact that we found the lead analyst for the Agency's review to be familiar with all of the information contained in the documents.

In his January 1997 letter to ADCI Tenet, attorney further claimed that on 17 February 1995 gave Agency analysts specific documents "showing that US troops were potentially exposed to chemical agents at Khamisiyah." The lead analyst denies this, and we were unable to find any indication that provided such

documents in February 1995.[37] The briefing charts used by [redacted] at his February and October 1995 briefings and the recollections of those present at the briefings indicate that [redacted] concentrated on his theory that the Iraqis had used chemical weapons in the war and did not discuss possible exposure from postwar demolitions or make any mention of Khamisiyah.

The Agency's Analytic Review

The Agency initiated its review of intelligence holdings related to Gulf War illnesses in March 1995 in response to the [redacted] charges and questions raised by the material they provided. The President's call that same month for a thorough study of Gulf War illnesses and growing Congressional interest also were factors in the decision to conduct a review, but the [redacted] were mainly responsible for getting the Agency involved.

On 15 March 1995, then ADCI William Studeman approved a recommendation by the Director, OSWR to conduct a "thorough reexamination of the intelligence evidence" on the issue of Iraqi use of chemicals during the Persian Gulf War.[38] This review was to be done by a team of Agency analysts. In his memo to ADCI Studeman, the Director, OSWR stated that the issue was the responsibility of DoD but that the Agency should reexamine its relevant holdings.

Review of the Agency's Holdings

The [redacted] allege that Agency analysts did not completely investigate evidence related to the possible exposure of US troops to chemical weapons during the Persian Gulf War. We reviewed the methodology used to perform the Agency's study, and we found that the lead analyst took a systematic, logical approach. He reviewed relevant intelligence holdings and obtained additional information from outside sources when necessary.

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[37] [redacted] collection of 315 documents included a DoD report discussing the presence of chemical weapons at Khamisiyah and Iraqi claims that the munitions were destroyed by Coalition forces. Agency personnel claim that these documents were not provided to them until after his briefing to the Presidential Advisory Committee in October 1995.

[38] The review quickly expanded beyond Iraqi use of chemical weapons to include other possible causes of Gulf War illnesses, e.g., exposure to fallout from Coalition bombings of chemical weapons storage areas. Although the [redacted] material primarily concerned Iraqi chemical weapons and the memorandum to the ADCI discussed chemicals, information related to biological weapons also was considered during the Agency's review.

The lead analyst assigned to the Gulf War illnesses review began his efforts by reviewing the material provided by [redacted] in February 1995. He searched the DI's electronic holdings and identified over 14,000 documents for review. The analyst also conducted more focused searches for documents related to specific locations within Iraq. He searched hard copy files in the Nonproliferation Center and DIA, and he obtained significant relevant material from DoD elements. Once the Agency began its efforts in May 1995 to locate and declassify documents related to Gulf War illnesses, members of the declassification task force brought documents of particular interest to the lead analyst's attention.

To supplement his review of intelligence holdings, the Agency's lead analyst conducted discussions with numerous individuals and organizations. For example, he obtained information from NSA, DIA, and the US Army's National Ground Intelligence Center. He spoke with personnel from the Center for Disease Control and the US Air Force Medical Intelligence Center regarding medical issues. He also queried DoD personnel regarding chemical detection equipment and alarm devices.

The lead analyst had hoped to produce an extensive research paper covering the areas he reviewed. Once it was discovered that Khamisiyah was a potential chemical weapons exposure site, however, the Agency's effort focused on that finding, and other aspects of the review were not completed. An unclassified paper was published in August 1996, entitled *CIA Report on Intelligence Related to Gulf War Illnesses*, which discussed the findings as of that date. The paper concluded that Iraq had not used chemical or biological weapons during the war and that fallout from aerial bombings of chemical weapons storage facilities had not reached US troops in Saudi Arabia, but that nerve agent had been released during demolition activities by US troops at Khamisiyah, possibly exposing the troops to the agent. The analytic review of the Agency's Gulf War holdings continues, with both CIA and DoD personnel reviewing intelligence for possible connections to Gulf War illnesses.

Alleged Reluctance to Question DoD's Position

[redacted] alleges that Agency officials were reluctant to confront DoD about its position that there was no evidence of chemical weapons use or exposure during the war. He contends that because DoD was the Agency's primary customer, Agency analysts had no incentive to argue with DoD's conclusions.

Many of the Agency officials and analysts we interviewed during our assessment told us that it was their impression that [redacted] wanted CIA to act as the DoD "Inspector General" and investigate DoD's actions.[39] Agency officials believed that this was not an appropriate role for CIA. Particularly at the start of the review, Agency officials had no reason to confront DoD about its conclusions that US troops had not been exposed to chemical weapons. The Agency and DoD had both concluded previously that Iraq had not used chemical weapons during the war and, therefore, believed that US troops had not been exposed to chemical agents.

During the course of the Agency's analytic review, DoD did not always respond expeditiously to CIA's requests for information or assistance. Agency managers were reluctant to push DoD for information and realized that they could not compel DoD to act. Agency analysts might have reached some conclusions sooner had they received assistance from DoD earlier in their review, but the lack of expeditious responses from DoD did not prevent them from moving forward.

Once the CIA's review progressed to the point where analysts developed convincing evidence that contradicted DoD's position, Agency officials showed no reluctance to challenge DoD with that evidence. When CIA analysts determined that the Khamisiyah ammunition storage depot was an area of concern, they quickly provided evidence to DoD's investigative team and repeatedly requested follow-up information. But DoD did not respond quickly to CIA's requests. In March 1996, when the Agency's lead analyst on Gulf War illnesses issues concluded that US troops may have been exposed to chemical agents at Khamisiyah, the Agency almost immediately reported this conclusion to DoD, the Presidential Advisory Committee, and the National Security Council. Evidence developed by CIA, coupled with the results of a May 1996 inspection of the site by the United Nations Special Commission, caused DoD to announce, in June 1996, that US troops had destroyed chemical weapons at Khamisiyah in March 1991.

[39] Agency officials advised [redacted] in January 1995, that if he was serious about the charges he was making concerning DoD officials, he should report them through appropriate channels, such as DoD's Inspector General. He declined to do so, contending that DoD was incapable of investigating itself.

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Alleged Refusal to Review Troop Logs or Interview Veterans

The Director, OSWR did clearly state in his March 1995 recommendation to ADCI Studeman that the Agency would not conduct a detailed review or evaluation of "non-intelligence" sources such as operational troop logs or eyewitness accounts of US troops, but he did not exclude those categories of evidence from the review. The Director, OSWR's declaration that the Agency would not conduct a detailed review of troop logs or veterans' accounts was intended to clarify the scope of the Agency's review, emphasizing that CIA analysis would focus on reexamining the Agency's holdings.

The Director, OSWR's characterization of information such as troop logs and eyewitness accounts as "non-intelligence" information is controversial. Some Agency officials we interviewed told us that reviewing such information was not the Agency's job and that CIA analysts lacked the requisite expertise for such analysis. Other officials told us that the Agency cannot claim to do all-source analysis if it excludes any relevant information.

Exclusion of relevant information from analysis because it was not the product of a traditional clandestine collection methodology or otherwise originated by an intelligence organization would violate the premise of all-source analysis, which by definition includes any relevant information. We believe it was a mistake to characterize troop logs and eyewitness accounts of US troops as "non-intelligence." Despite this designation, however, the material was not excluded, and the characterization did not impact on the Agency's review of relevant information.

The Agency's review focused on surveying CIA's holdings to determine what, if any, relevant information was available and what that information indicated about chemical weapons in the Gulf War. This was a significant undertaking in itself. This approach, utilizing the Agency's information and expertise as a base, was a practical way to begin the analysis of a large body of information on a complicated subject. Agency managers believed that DoD should conduct the initial review of its own operational logs and obtain information from military personnel.

From the outset, Agency analysts used eyewitness accounts to help focus their review. Once Khamisiyah was identified as a site to focus on, the lead analyst widened his range of sources. He gained access to selected troop logs and participated in some interviews with veterans. These sources

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helped to fill in gaps in available information and clarify analytical conclusions.

Application of Resources to the Analytic Effort

We believe that OSWR managers should have made an effort to place additional resources and greater emphasis on the analytic review of intelligence holdings, particularly given the President's expressed interest in pursuing the causes of Gulf War illnesses and the issues raised by the material presented by the

The team of analysts proposed by the Director of OSWR in March 1995 to conduct a thorough examination of intelligence related to Gulf War illnesses never materialized. There were a limited number of chemical warfare analysts available, and a number of ongoing issues demanded their attention. Under these circumstances, the decision to assign one analyst to perform the review of intelligence related to Gulf War illnesses with ad hoc support from other components was perhaps not an unreasonable way to begin.

But the review did not receive adequate management attention or support. From March through December 1995, the lead analyst worked on the review. Other Agency components provided assistance to the analyst when tasked, but this assistance was not a priority for the other components and was not always easy to obtain. A number of studies were requested from other components by the lead analyst in May 1995. The results of some of those studies were not provided until October 1995, and one study was not completed until February 1996.

In the fall of 1995, an analyst providing ad hoc support to the lead analyst on the issue of fallout from Coalition bombing determined that Khamisiyah was a possible chemical weapons storage site and that it may have been destroyed by Coalition forces. In December 1995, OSWR managers instructed the lead analyst to work full-time on the Gulf War illnesses issue. Throughout 1996, approximately individuals provided

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limited support to the analytic effort, in the form of responses to specific taskings or assistance with reports and modeling.[40]

After evidence surfaced that Khamisiyah was a possible chemical weapons storage site, and particularly after the lead analyst concluded in March 1996 that US troops may have been exposed to chemical agents there, OSWR managers should have made an effort to dedicate additional resources to the review. From December 1995 through March 1997, the Agency's analytic effort focused primarily on Khamisiyah, and the lead analyst's time was consumed with issues relating to the events at that site. This came at the expense of his ability to complete his review of all intelligence holdings with possible relevance to Gulf War illnesses.

As many as individuals worked full-time reviewing documents related to the Gulf War illnesses issue for declassification and release during 1996, while continued the analytic review with limited support from other analysts.[41] Only in March 1997, two years after the start of the review, did ADCI Tenet create a Persian Gulf War Illnesses Task Force, including an interagency team of up to analysts to research possible causes of the illnesses.

In commenting on a draft of this report, the Director, Office of Transnational Issues contended that we had not sufficiently taken into account other priorities and the trade-offs that must be made in utilizing limited analytical resources. He pointed out that CIA has devoted significant chemical warfare (CW) analytic expertise to the Gulf War illnesses issue and that work on other CW-related issues has slowed as a result. We understand and appreciate these concerns, but we nevertheless believe that steps could have been taken to provide research and analytical reinforcements to the Gulf War illnesses review without depleting the Agency's limited core of CW expertise.

[40] The lead analyst estimates that approximately CIA employees and contractors assisted with the analytic effort. The time spent by most of these individuals on the analysis varied The contractor working on modeling worked approximately on the effort. Numerous other individuals provided assistance with graphics, interface with outside organizations, editing, and searching for information.

[41] DCI Deutch and Executive Director Slatkin expressed interest in ensuring that sufficient resources were applied to the declassification and release effort, but we found no indication that they specifically expressed concern about the resources applied to the analytic effort.

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Allegation: The careers with the Agency were effectively destroyed because of their insistence on pursuing an inquiry about the exposure of United States armed forces to chemical weapons during the Persian Gulf War.

alleges that CIA managers retaliated against him for pursuing an inquiry into causes of Gulf War illnesses. Specifically, he believes that the retaliation took two forms: he was denied positions within the Directorate of Intelligence (DI) for which he was well qualified, and he was subjected to illegal and inappropriate security procedures. alleges that CIA managers retaliated against her by repeatedly denying her a promotion. We found no evidence to support any of these allegations.

Details regarding our findings concerning this allegation are not presented here because the object to the release of personal information about their careers.

CONCLUSION

We found no evidence of improper withholding of Gulf War illnesses information from the public in connection with the Agency's efforts to declassify and release relevant documents, the removal and subsequent restoration of GulfLINK documents, or the processing of FOIA request, but the search for relevant documents and review of material for release have been less than optimal. Senior Agency management needs to ensure that the resources and attention devoted to ongoing efforts to identify relevant documents and review them for release are commensurate with the commitments the Agency has made.

Agency managers ultimately limited the inquiry into Gulf War illnesses issues because of concerns about how their inquiry was being conducted. The Agency has seriously considered available evidence related to Gulf War illnesses, but Agency managers did not initially apply sufficient resources to the Agency's analytic effort. We found no evidence that the Agency destroyed the careers because of their inquiry into Gulf War illnesses.

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Exhibit A

Glossary

ADCI	Acting Director of Central Intelligence
CENTCOM	US Central Command
DA	Directorate of Administration
DCI	Director of Central Intelligence
DDCI	Deputy Director of Central Intelligence
DDI	Deputy Director for Intelligence
DepSecDef	Deputy Secretary of Defense
DI	Directorate of Intelligence
DO	Directorate of Operations
DoD	Department of Defense
DoJ	Department of Justice
DS&T	Directorate of Science & Technology
DTIC	Defense Technical Information Center
ExDir	Executive Director
FOIA	Freedom of Information Act
GWI	Gulf War Illnesses
HPSCI	House Permanent Select Committee on Intelligence
IMO	Information Management Officer
IPCRD	Information, Privacy, and Classification Review Division
IRO	Information Review Officer
MORI	Management of Officially Released Information
NPIC	National Photographic Interpretation Center
NSC	National Security Council
OGC	Office of General Counsel
ORD	Office of Research and Development
OSWR	Office of Scientific and Weapons Research
PAC	Presidential Advisory Committee on Gulf War Veterans' Illnesses
PGIT	Persian Gulf War Veterans' Illnesses Investigation Team (DoD)
PGWITF	Persian Gulf War Illnesses Task Force (CIA)
PGWVITF	Persian Gulf War Veterans' Illnesses Task Force (CIA)
SecDef	Secretary of Defense
SSCI	Senate Select Committee on Intelligence

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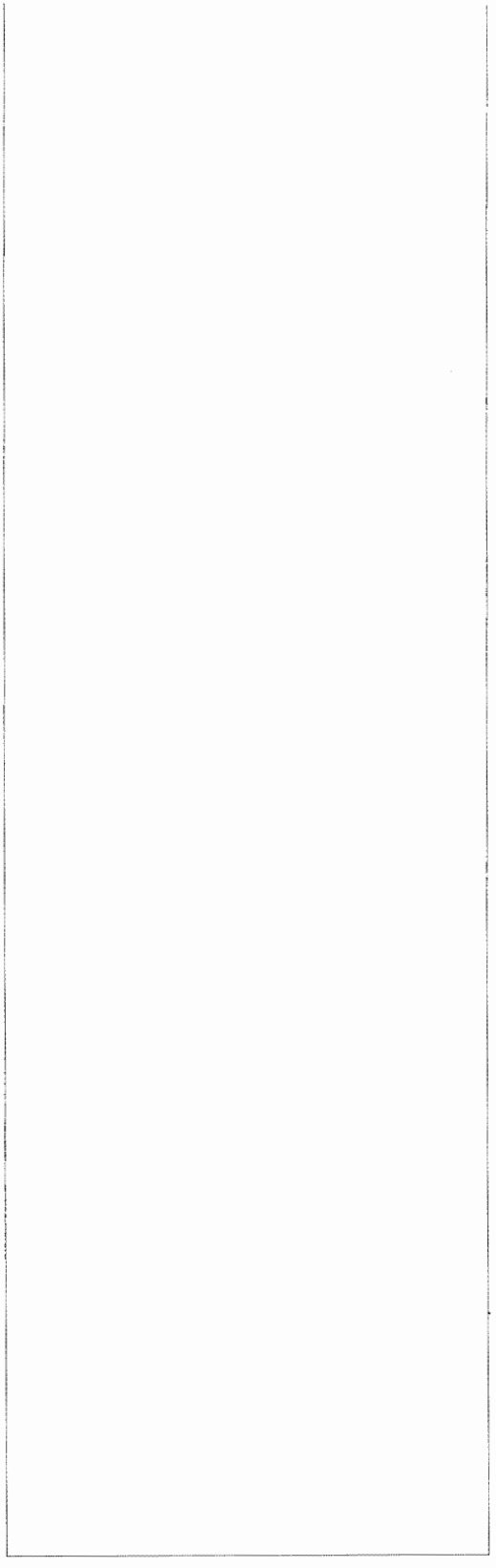

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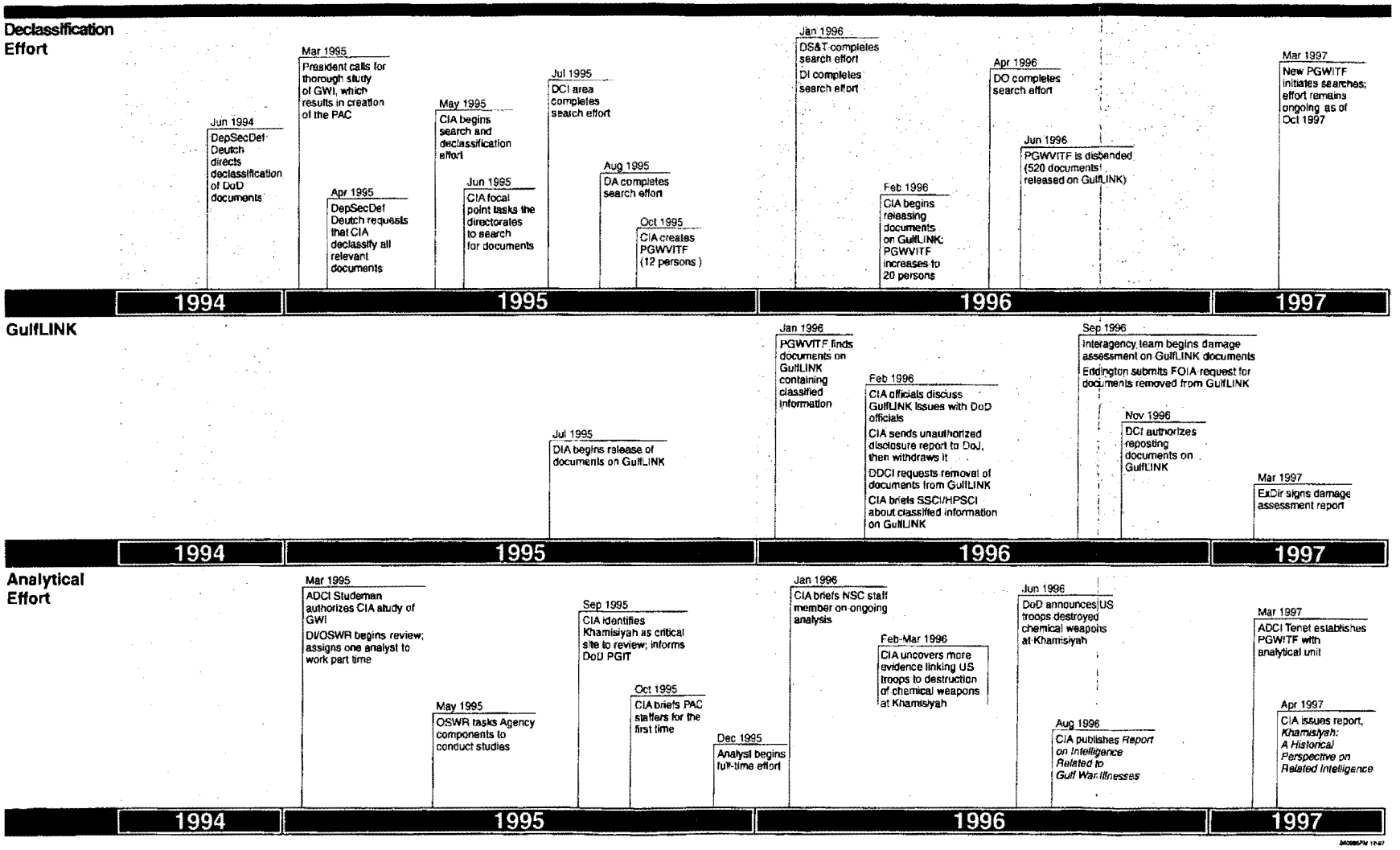
Unclassified

Exhibit C

Key Events Related to CIA Gulf War Illnesses Efforts


Declassification Effort
Jun 1994
DepSecDef Deutch directs declassification of DoD documents
Mar 1995
President calls for thorough study of GWI, which results in creation of the PAC
Apr 1995
DepSecDef Deutch requests that CIA declassify all relevant documents
May 1995
CIA begins search and declassification effort
Jun 1995
CIA focal point tasks the directorates to search for documents
Jul 1995
DCI area completes search effort
Aug 1995
DA completes search effort
Oct 1995
CIA creates PGWVITF (12 persons)
Jan 1996
DS&T completes search effort
DI completes search effort
Feb 1996
CIA begins releasing documents on GulfLINK; PGWVITF increases to 20 persons
Apr 1996
DO completes search effort
Jun 1996
PGWVITF is disbanded (520 documents released on GulfLINK)
Mar 1997
New PGWITF initiates searches; effort remains ongoing as of Oct 1997
1994
1995
1996
1997
GulfLINK
Jul 1995
DIA begins release of documents on GulfLINK
Jan 1996
PGWVITF finds documents on GulfLINK containing classified information
Feb 1996
CIA officials discuss GulfLINK issues with DoD officials
CIA sends unauthorized disclosure report to DoJ, then withdraws it
DDCI requests removal of documents from GulfLINK
CIA briefs SSCI/HPSCI about classified information on GulfLINK
Sep 1996
Interagency team begins damage assessment on GulfLINK documents
Eddington submits FOIA request for documents removed from GulfLINK
Nov 1996
DCI authorizes reposting documents on GulfLINK
Mar 1997
ExDir signs damage assessment report
1994
1995
1996
1997
Analytical Effort
Mar 1995
ADCI Studeman authorizes CIA study of GWI
DI/OSWR begins review; assigns one analyst to work part time
May 1995
OSWR tasks Agency components to conduct studies
Sep 1995
CIA identifies Khamisiyah as critical site to review; informs DoD PGIT
Oct 1995
CIA briefs PAC staffers for the first time
Dec 1995
Analyst begins full-time effort
Jan 1996
CIA briefs NSC staff member on ongoing analysis
Feb-Mar 1996
CIA uncovers more evidence linking US troops to destruction of chemical weapons at Khamisiyah
Jun 1996
DoD announces US troops destroyed chemical weapons at Khamisiyah
Aug 1996
CIA publishes Report on Intelligence Related to Gulf War Illnesses
Mar 1997
ADCI Tenet establishes PGWITF with analytical unit
Apr 1997
CIA issues report, Khamisiyah: A Historical Perspective on Related Intelligence
1994
1995
1996
1997

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